
In the
United States Court of Appeals
FOR THE NINTH CIRCUIT

H. A. FRIEND AND COMPANY, INC.,
Plaintiff-Appellee, Cross Appellant,
vs.

FRIEND AND COMPANY, a corporation,
and WILBER H. FRIEND,
Defendants Appellants, Cross-Appellees.

Appeal from the United States District Court
for the Central District of California
WILLIAM P. GRAY, *Judge Presiding*

**BRIEF ON BEHALF OF APPELLEE AND
CROSS-APPELLANT, H. A. FRIEND AND
COMPANY, INC.**

ALBERTS, BREZINA & LUND
JOHN C. BREZINA
JOE C. YOUNG

33 North Dearborn Street
Chicago, Illinois 60602

HARRIS, KIECH, RUSSELL & KERN
CHARLES E. WILLS
900 Subway Terminal Bldg.
417 South Hill Street
Los Angeles, California 90013

Attorneys for Plaintiff-Appellee,
Cross Appellant

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**BRIEF ON BEHALF OF APPELLEE AND
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I. INTRODUCTION

Appellee does not believe that appellant's brief presents the case in a manner which is the most logical or comprehensible to present the facts and issues on this appeal. Appellant has made some 22 assignments of error criticizing essentially every finding of fact and conclusion of the District Court. Answering such assignment of error in sequence would not result in a readily understandable or cohesive presentation of the subject matter of this appeal.

Appellee's brief consists of four main parts: a statement of the issues, a part wherein the findings of fact of

the District Court are discussed and documented, the argument, and a section listing where the subject matter of each assignment of error of Appellant is covered in Appellee's brief.

As used herein, the word "Appellee" shall be used to refer to the plaintiff as cross appellant as well as the plaintiff-appellee. The word "Appellant" shall be used to refer to the defendant as cross-appellee as well as defendant-appellant.

II. ISSUES

1. Is a finding that a party committed Intentional and Fraudulent Unfair Competition Proper where said party,

(a) Used a trade name confusingly similar to the tradename of a prior user, in the identical business of said prior user;

(b) Represented orally and by mail to the customers of said user that a Western Division had been established which could expedite their orders and serve them cheaper, when there was no other division or other place of business outside of California;

(c) Issued catalogs and price lists which showed "General Offices" at the place of business of said prior user, and called itself a "Western Division" of said prior user, and falsely represented that it was established when said prior user was established;

(d) Told customers of said prior user that it was "one and the same" as said prior user and that it could get their printing dies from the "East", where said prior user was located; and

(e) sold goods which were of inferior grade to the grade of goods represented in its advertising and

price lists, and inferior to the grade of goods of said prior user, while using the trademarks and trade name of the prior user.

2. Is it proper for a court to conclude that there is trademark infringement where a prior user has adopted, used and made known trademarks which the later user employs with knowledge of the earlier user's use on identical goods sold to the same customers.

3. Is an award of monetary damage proper in a case of Intentional and Fraudulent Unfair Competition and trademark Infringement where:

(a) the damage resulting from said unfair competition and trademark infringement comprises a large number of small damages, each difficult and expensive to determine and prove with regard to exact amount; and

(b) the amount of said damage award is determined by the District Court on the basis of an interpolation from a representative sample of losses by plaintiff established and confirmed in the Record.

4. Is an award of damages based on probable loss to the reputation and goodwill of a prevailing party proper where the other party sells goods inferior to the grade of goods represented in its catalogs and price lists and such inferior goods are sold under the trademarks and tradename of the prevailing party.

5. Should a defendant be required, in addition to paying compensatory damages, to account for his profits and unjust enrichment resulting from a deliberate and calculated course of unfair competition and trademark infringement which, includes use of confusingly similar

trademarks and trade names on goods of a substantially lower grade than represented by defendant, where defendant has made large profits over and above the amount of compensatory damages awarded,

(a) Under the Federal Trademark Statute 15 U.S.C. 1105 et seq. and particularly 15 U.S.C. 1125(a); and

(b) Under the common law of unfair competition;

6. Is an award of partial attorney's fees proper where:

(a) there is a finding of intentional and fraudulent unfair competition;

(b) said unfair competition constitutes a substantial fraud on purchasers and other competition as well as the party bringing the action;

(c) said purchasers and other competitors are benefited by the results of said action; and

(d) plaintiff was forced to meet and reply to frivolous, redundant and unnecessary defenses, motions and contentions.

7. Is it clear abuse of discretion for a District Court to find that the equitable doctrines of laches, acquiescence and estoppel do not apply to protect a defendant where:

(a) the defendant is engaged in willful and fraudulent unfair competition and trademark infringement;

(b) the defendant did not rely on or change its position because of any action or inaction of the plaintiff;

(c) the plaintiff took appropriate action against the defendant as soon as the plaintiff obtained effective knowledge of the conduct of the defendant; and

(d) plaintiff's knowledge of much of the reprehensible conduct of the defendant did not arise until plaintiff had sued defendant for unfair competition and infringement.

8. Should a party be enjoined from all use of his surname where he has used the name as a part of a calculated, deliberate plan of unfair trade practices to confuse purchasers and to trade upon the goodwill and reputation of the prior user of the same surname.

III. THE FINDINGS OF THE DISTRICT COURT, ARE CLEARLY AND AMPLY SUPPORTED BY THE RECORD AND SUSTAIN ALL OF THE SEPARATE CAUSES OF ACTION FOR COMMON LAW UNFAIR COMPETITION, STATUTORY TRADEMARK INFRINGEMENT AND MISREPRESENTATION OF PAPER QUALITY.

Appellant's Statement of Facts, as well as its factual assertions, have so many omissions, and unsupported assertions which are directly contrary to the record that Appellee feels it necessary to state the facts. In doing so Appellee will follow, and quote liberally from, the presentation in the District Court's memorandum decision; a basically chronological presentation of the facts which form background of this case and the history of this litigation, and show that said facts are well documented in the Record.

This court has held that it does not sit to retry issues of fact, and that findings of fact including infer-

ences from undisputed facts or documents are presumptively correct and will not be set aside unless clearly erroneous. *Lungren v. Freeman*, CA9 1962 307 F2d 104; *Snider v. England*, CA9 374 F2d 717, 720.

Judge Gray's Memorandum decision began by stating the parties, issues and background facts as follows:

"H. A. Friend and Company, Incorporated, the plaintiff in each of the two cases here concerned, is owned by the youngest three of the four sons of Harley A. Friend, who was the founder of the business now operated by the plaintiff, and who died in 1959. His oldest son, Wilber, is the individual defendant and the principal owner of the corporate defendant, Friend and Company, which he formed and has operated under circumstances that brought about this bitter litigation. The complaints in these two actions charge the defendants with unfair competition, trademark infringement, and false description and advertising of stationery and they sell in competition with the plaintiff. Each of these charges is well founded, as will be discussed in this Memorandum of Decision.

THE BACKGROUND FACTS

"Harley A. Friend began to engage in the stationery business in Zion, Illinois, in 1908 and remained active in that business until his death. [CT 452 L 11-17, CT 449 L 21-25, CT 453 L 11-20, CT 452 3-10] By 1920, he was the principal owner of H. A. Friend and Company (the Company), which was located in Zion. The Company specialized in preparing and selling at retail printed and engraved stationery to members of the legal profession, principally in the mid-western part of the United States. [RT 12 L 19-25]. In about 1930, Harley's son, Wilber, became a full-time employee, [RT 15 L 14-16] and in the ensuing years he was allowed to assume more and more of

the management of the business of the Company. (See footnote 4 *infra*.)

“The principal source of the paper processed and sold by the Company was the mill operated by the Gilbert Paper Company (Gilbert), of Menasha, Wisconsin. Inasmuch as the Company was a retailer, it presumably could not obtain its paper directly from Gilbert, but instead was obliged to purchase through a wholesaler. In the early years, the wholesaler so used was the Moser Paper Company. [CT 451 L 18-22, CT 452 L 28-32] However, by the mid-thirties, the volume of the Company’s paper purchases had increased substantially, with the result that an arrangement was made with Gilbert whereby the Company, in effect, might have the price benefits that would flow from being able to purchase directly from the mill [App’t Br. p. 9 l 1-5, CT 95 lines 23-26.] Accordingly, the Company caused to be formed the Friend Paper Company, which bought paper directly from Gilbert and sold it to the Company. The Friend Paper Company was not incorporated, and it appears to have had no formal beginning. It simply began to place with Gilbert orders for paper that the Company needed in its retail business. The Friend Paper Company never had any employees, and almost from its inception its “business” was conducted solely by Wilber, partly at his office in the headquarters of the Company with the clerical assistance of Company personnel, and partly at his home.¹

¹ There is only defendant’s unsupported testimony that Friend Paper Co., through which he claims to have acquired rights to the trademarks in this suit, was anything other than a buying front for H. A. Friend and Company.

The record, on the other hand, clearly shows that Friend Paper Co. had no separate existence. Defendant has admitted that Friend Paper Co. had no telephone listing in Zion, Illinois [Pretrial Conference Order, CT 452, l 1-2], that its only sales representative was Wilber Friend

“By the end of 1940, the two next oldest sons of Harley A. Friend had also become employees in their

¹ (Continued)

[Defendant's answers to interrogatories 2/11/65, CT 1, 1 22-25], that it owned no warehousing facilities, converting equipment or packaging facilities [RT 38, 1 15-18; RT 42, 1 10-16; RT 464, 1 7-12] and that its only office was in defendant's home [RT 39 1 20-22]. Defendant has also admitted that almost all orders for paper were shipped direct from the mill to H. A. Friend and Company, and that H. A. Friend and Co. paid the freight on shipments [RT 41, 1 19-RT 42 1 6; RT 338, 1 12-19], that H. A. Friend and Co. made stationery for the Friend Paper Co. and paid some of its bills [RT 299, 1 10-17; X132; RT 269, 1 16-RT 270 1 4; X281, RT 271, 19-RT 274, 1 18], and defendant could not show how H. A. Friend and Co. had been reimbursed [RT 299, 1 21-RT 301, 1 7]. In addition, defendant could not show that Friend Paper Co. had any customers for papers bearing the trademarks at issue [RT 383, 120-RT 384, 1 20; RT 466, 1 13-23]. Although defendant asserted that the Friend Paper Co. had employees, he could not state any of their names [RT 38 1 25-RT 39 1 11]. The only name appearing in the record was “Earl Mix” which defendant admitted was a pseudonym for himself [X423, X424, X425, RT 521, 1 24-RT 522, 1 25]. Defendant also could not state that Friend Paper Co. had absorbed any price fluctuations, which would normally be done by a legitimate wholesaler [RT 40, 1 23-RT 41, 1 8].

William Friend, plaintiff's corporate secretary testified that Friend Paper Co. was only a buying front whose business was conducted by Wilber Friend in his office at H. A. Friend and Co. with the occasional help of other H. A. Friend employees, and that he had no knowledge of any office in Wilber's home or of any profits Wilber made on paper purchases [RT 529, 1 1-7, RT 536, 1 1-RT 538, 1 7]. In fact, William indicated in answer to a question on cross-examination by defendant's counsel that when he entered the business Wilber informed him that H. A. Friend and Co. had an advantage over its competitors because it could “buy direct” from paper mills [RT 535, 1 13-22].

father's business, and, on December 31, 1950, he gave to each of them, and to Wilber, partnership interests in the Company effective January 1, 1941. [CT 450 1 25-28] The partnership agreement [X12] that they all signed on that date provided that each active partner should devote full time to the partnership business, should ". . . be faithful to all of the other partners in all transactions relating to the firm," and should not ". . . engage in any business or activity which in any way does or may conflict with or operate to the detriment of the partnership business." The agreement further provided that Wilber should have the responsibility of the general management of the entire business, and he did continue to assume such responsibility as long as he remained a partner. Harley's youngest son, William, was made an active partner in 1946, following his return from military service.

"Prior to the time of the formation of the partnership, the Company had begun the practice of publicizing its stationery as being in "The Banner Line", the quoted words usually being displayed as superimposed on a drawing of a pennant or banner. Its stationery was also advertised as "Friend's Papers", and more particularly as "Friend's Typewriter Papers", "Friend's Legal Linen", and the like. The imprinting on its stationery boxes and wrappings and its promotional material emphasized the fact that the Company was located in Zion, Illinois, and had been in operation since 1908. These same practices continued after the formation of the partnership and right up to the present time.

"By 1948, although most of the Company's customers were law offices located in the central part of the United States, a scattering of customers had developed in almost all, if not all, of the states west of the Rocky Mountains. [RT 12, 13, 15, X156A, G, and H; Depositions of J. W. Kindall, Bellingham, Wash.

X238; Benita Olson, Bellingham, Wash. X239 Meyer, Olympia, Wash. X242; Wiseman, Olympia Wash. X243; Braucht, Merced, Calif. X262; Howard Yakima, Wash. X263]. Many of these customers were lawyers who had moved westward and wanted to continue to buy "Friend's Papers"; other had been referred to "Friend's" by satisfied purchasers. Such contacts usually were renewed or established by mail; the Company carefully maintained and serviced them all; and in most instances the letters in response to inquiries and orders for merchandise were personally dictated and signed by Wilber. [X's 132-138, X's 208, 229, X 311, RT 125; X's 315, 312, 359, 360, RT 130, 131; X 316, RT 132; X 399, RT 133; X 401, RT 133, 134; X 394, RT 134-135; X 389, RT 135-136]

"By about 1948, the Company had compiled addressograph plates that included the names and addresses of more than 1,500 lawyers and law firms located in the western states, and it sent to all of them at least one promotional brochure. [X's 13, 75] It was the active intention of the Company to attract as rapidly as practicable and to hold customers throughout the area between Illinois and the west coast of the United States. [RT 280, l 16-RT 281 l 10; RT 275, l 10-RT 278, l 3]

"In the latter part of 1948, for reasons that are not important to this decision and will not be discussed, Wilber withdrew from, or was removed from, the Company, and his capital interest therein, including goodwill, was purchased by his father. (Exh. 14a-e) The partnership was dissolved on December 31, 1948, and a new partnership was thereupon formed by Harley and his three remaining sons, which continued the business of the Company under the same name. [X 15] The plaintiff Corporation was formed in 1961 to become the successor to the Company and has operated the business ever since. [RT 12, L 19] (The plaintiff and the Company will hereinafter be referred to as the plaintiff.)

In the early spring of 1949, Wilber announced to his father and brothers the intention of moving to Pasadena, California, and engaging in the business of buying and selling paper at wholesale under the name of Friend Paper Company. His former partners expressed no objection to this, [Richard Friend's deposition, X BH, p 52 L 11-22, p 54 L 14-p 55 L 8, p 55 L 22-24, RT 449-450, RT 545 l 6-8] they ceased using that name for the operation through which they bought paper from the mills; and they began performing these transactions under the name, Friend Paper Products Company."

IV. THE DISTRICT COURT FOUND, IN CONNECTION WITH THE PRIMARY CAUSE OF ACTION FOR COMMON LAW UNFAIR COMPETITION, THAT DEFENDANT IMITATED PLAINTIFF'S TRADE-NAME IN THE RETAIL PAPER AND STATIONERY BUSINESS AND FOLLOWED A COURSE OF CONDUCT CALCULATED TO CONFUSE AND DECEIVE CUSTOMERS AND TO TRADE ON PLAINTIFF'S GOODWILL.

These activities were described by the court as follows:

"Wilber did move to Pasadena, and he went into the stationery business in 1950. But his principal activity was not that of a wholesaler of paper; instead, he engaged in precisely the same type of retail operation that the plaintiff had been conducting in Zion for so many years. He did not adopt completely the name of his father's partnership, namely H. A. Friend and Company; he simply left off the "H. A.", and called his business "Friend and Company". (Wilber later incorporated his business, and such corporation is made a defendant in this action. He and it will sometimes hereinafter be referred to as the defendants.)

"In 1955, Wilber published and began to distribute a large stiff-covered catalogue, on the cover of which appeared in large letters the words, "Friend's Quality Papers". [X84—Copies of the first several pages are reproduced in Appendix I to this brief at pages 2a-7a] At the head of the first inside page is the word "Friend's" in relatively very large type. At the bottom of the page is the assertion that the catalogue is presented by the *Western Division* of Friend and Company. The following page is headed by a map of the United States. An asterisk is placed thereon at about the location of Zion, Illinois, and is identified as "General Offices". The western half of the continent is shaded, and a star appears at the location of Pasadena, California, with the explanation "Shaded area served from Western Division Pasadena, California." The following text states that "The Friend organization has served the legal profession nationwide with quality products for fifty years. We were the first concern in the United States selling exclusively to attorneys." Farther down the page is the assertion that Friend and Company has been "—selling by direct mail and through representatives since 1908 . . .", and on the next page is a picture of Wilber with the statement that he has been "manager of the Western Division in Pasadena, California since 1949.

"The catalogue also advertises stationery known as Barrister Bond, Friends Bond, and Banner Bond, which are the same trademarks and watermarks that the plaintiff has been using since long before Wilber left Illinois.

"The publication just described asserts that it is "Catalog No. 47" (1908 plus 47 equals 1955, the year of its publication). About 1,000 copies of that catalogue were distributed during the next several years. In 1964, Catalog No. 47 was superseded by a new catalogue which, as might be expected, was designated

as "Catalog No. 56".² Its format is substantially the same as No. 47, except that it expands a bit upon the earlier misrepresentations." [X85]

"It is evident from the foregoing description of the catalogues, as well as from other evidence at the trial, that the catalogues were carefully and fraudulently designed to convey the impression that the Pasadena business was a division of H. A. Friend and Company of Zion, Illinois. [Gregg dep. X 245, pp. 6, 7]. Wilber's protestations to the contrary in his testimony were simply unbelievable and served only to give further emphasis to this obvious conclusion. For example, in response to an inquiry as to the justification for the reference, in the 1955 catalogue, to his "General Offices" as being in Illinois, he made the amazing response that his fifteen year old son lived in Zion in that year and there received mail addressed to the defendants' business.³ [RT 54, l 5, RT 55, l 20] He justified the similar reference to "General Offices" in the 1964 catalogue by saying that, although by that time his son was no longer in Zion, he had a Post Office box in that city."

The defendant's preposterous stories and the finding that Wilber Friend's (defendant's only witness at the

² This is an example of the kind of testimony which Judge Gray later in this opinion characterized as simply unbelievable. Defendant testified first that the number 47 was chosen arbitrarily for the 1955 catalog and it was merely a coincidence that 1908 plus 47 equals 1955. [RT 53 lines 11-21]. When faced with the further coincidence that the number of the 1964 catalog was 56 defendant asserted that it was designed to have 56 pages and samples. [RT 84, line 17-RT 85, line 13]

³ Again when defendant appeared in his own behalf he asserted upon cross examination that his son took care of the Zion "office" from 1949 until 1956 or 1957, and at the time the son took over what he called his "main base of operations" he was only 9 years old [RT 469, l 20, RT 470, l 10]

trial) testimony was not worthy of belief is buttressed by the facts surrounding the history of this litigation. Before the action was brought in California, Plaintiff filed an action on the same grounds in the U. S. District Court for the Northern District of Illinois, serving defendant pursuant to the Illinois "long arm" statute. Defendant promptly moved to dismiss for lack of personal jurisdiction and improper venue, supported by an affidavit of Wilber Friend stating that none of the defendants *did any business or had any place of business in Illinois*—nor did defendants ever have any place of business other than in Pasadena, California. (TR 160, 161; Exl 32) The District Court in Chicago, based on defendant's statements of fact, sustained its motions. Yet, in spite of this clear and unequivocal state of facts defendant persists in its contention that it has a right to associate its business with Zion, Illinois and that it has a right to say its Pasadena establishment is a division of another company. (Def's Brief p. 34, Assignment of Error #19 p 82.)

Defendant's misrepresentations and unfair competition with respect to Plaintiff's tradename were not confined to its catalogs and price lists. (X's 84, 85, 86, 87) Judge Gray's Memorandum went on to state:

"The record reveals other proof which shows beyond doubt that Wilber sought regularly to convey and cultivate the false impression that appears so vividly in his catalogues. Between 1951 and 1953 he sent out a circular letter to law offices in the western states including many customers of the plaintiff, in which he announced the opening of a Western Division and urged that future orders be forwarded to Pasadena where they could be expedited and result in a saving in freight charges, in comparison with the "east" impliedly Zion [RT 219, 1 15, 230 Jahnke dep. 2

249, p. 5, 6; Hughes depn. X 235, p. 3; Newton dep. X 237, p. 3] In his correspondence and in his personal contacts with prospective customers, whenever any inquiry arose concerning the relationship between the Friend organization in Zion and his Pasadena operation, he actively implied or, at the very least allowed the inference, that they were one and the same. [RT 218, l 12; 228, l 15, 228; Gurtler depn. p 5; Augustine depn. X 249, p 6; Leder depn. X 250, p 6] For example, in one instance he responded to a letter of inquiry from an obviously confused former customer of the plaintiff, by assuring him that 'We will get your dies from our Zion plant.'"

The last incident relates to the testimony of Joan Warmington, a secretary of the law offices of Davis and Oppenstein of Tucson, Arizona. RT 193, Exh 240. This firm was, in May 1963, purchasing paper and stationery from both plaintiff and defendant. Miss Warmington wrote defendant ordering stationery, stating (RT 196);

"The letterhead stationery should be of the same style as that shown above, and the envelope should be of a quality paper that will match the letterheads" (Defendant filled this order with Barrister Bond letterhead and envelopes, the former being 100% and the latter 25% cotton fiber content papers, RT 117)

Miss Warmington's letter went on to ask defendant for quotation on business cards which theretofore had been supplied by plaintiff. Wilber Friend answered the inquiry and quoted a price for the business cards and added that there would be a \$10.00 additional charge for making an engraving die for the cards. RT 106 Miss Warmington responded to defendant's letter (RT 107):

"In connection with the business cards, after checking further with Mr. Davis, I have discovered that

these cards were originally ordered from the part of your organization which is located in Zion, Illinois. It would appear to me that the simplest way of handling this matter would be for you to obtain the die from Zion, change the phone number thereon and make the cards. However, if you feel it would be easier for everyone concerned for Mr. Davis to order the cards directly from Zion, please let me know."

Wilber Friend replied to Miss Warmington by letter dated May 18, 1963 [Ex 207], saying:

"Thanks very much for your letter of the 16th which helps us a lot. We will obtain the die from our Zion plant immediately as this will work nicely for your order on the business cards."

Wilber Friend knew the die was in the possession of Plaintiff in Zion, Illinois and never asked for it (TR 111.) He deliberately and maliciously mislead an obviously confused customer of plaintiff, a common practice by which Wilber took away customers of plaintiff. He followed his usual practice of making up a new die at his expense and the customer never knew what happened. (RT 151) This occurrence was only three months prior to Plaintiff's letter objecting to Defendant's unfair competition and infringement in August 1963 (RT 159, 160) and eight months prior to the time Plaintiff filed the action in Chicago.

This is not to say that misleading plaintiff's customers was something of recent origin. The record has clearcut evidence of equally heinous conduct throughout the period defendant was in business in California. The record shows an example of Wilber's fraudulent misrepresentation in 1951, when he successfully stole a customer of plaintiff, Mr. J. H. Jahnke, who had purchased his stationery from

plaintiff since the 1920's in Centralia, Washington. Wilber had corresponded with this customer while he was with H. A. Friend and Company. (RT 147) Defendant sent this customer the announcement referred to above in the court's decision announcing opening of "a Pasadena office" (Jahnke depn p5), and other literature including statements such as "our 43 years of selling exclusively to attorneys" (when defendant had been in business only about one year), "Serving the Legal Profession in every State since 1908" (TR 147), in addition to the continuous use of "Western Division" and "Since 1908." The exhibits attached to the Jahnke deposition included a letterhead sample, with defendant's prices and product information printed on it, and the letterhead was that of O'Leary, Meyer and O'Leary of Olympia, Washington, who had purchased their letterhead and stationery exclusively from plaintiff since 1932 (E. L. Meyer and Margaret Wiseman Depns, Exh 242, p 4, 5, TR 193; Exh 243 p 6 TR 194.) Wilber Friend did not confine his misrepresentations to his printed promotional materials. When he was trying to woo Mr. Jahnke from plaintiff, in a letter dated January 23, 1954 (TR 148) he stated "We now have your engraving die on file at this location. In the event of an order, we can supply your stationery needs from Pasadena and thus save you on shipping costs. Our rates on most items are a little less than from the east." As might be expected, defendant never obtained the die from H. A. Friend and Company or anyone else in the "East" but had a new die made up in Pasadena. (TR 151)

Wilber Friend's "I'll get your die from Zion" pitch was not confined to the mails. In 1956 he obtained the business of what, until Wilber's sales call, was a perfectly satisfied customer of H. A. Friend and Co. This customer, Albert

Ussery, a lawyer from Albuquerque, New Mexico, testified in his deposition (P 10, X 254)

“Well, my impression was, as it is now refreshed by reading this letter, that Mr. W. H. Friend secured the die, which had previously been utilized in the preparation of my stationery by the Zion Illinois plant. He says specifically that he now has the die on hand, and I just took that to mean that he must have written and secured it.”

The state of mind of plaintiff's customers after one of Wilber Friend's Sales calls may be illustrated by the testimony of Mrs. Muriel Leder who purchased stationery for the Albuquerque law firm of Modrall, Seymour, Sperling, Roehl and Harris (Depn, P6; Exh 250 TR 196)

Q. Have you heard of Friend and Company of Pasadena, California?

A. Yes.

Q. How did you come to become acquainted with Friend and Company of Pasadena?

A. Well, I recall one day a gentleman coming in and representing himself as sales personnel of some type or another from Pasadena, and that indicated that this was perhaps a new branch or probably a new branch of Friend of Zion, Illinois, I believe it is. Isn't it?

Mrs. Leder went on to testify that she ordered only once from defendant, but was dissatisfied with defendant's product and because of this dissatisfaction, never did business with either defendant or plaintiff again.

Further details on Wilber Friend's sales pitch, including how Wilber uses Friend Paper Company as a part of his deception, is found in the trial testimony of Mr. Dale Walker (RT 241):

Q. Have you ever heard of Friend and Company?

A. I have heard of Friend and Company, yes.

Q. How did you come to hear of Friend and Company?

A. Specifically, a gentleman appeared in our office in Albuquerque and informed me and my secretary that Friend Paper Company that we did business with had formed or had established a Western Division plant and it might save us transportation costs if we did business with them.

Q. When was this?

A. Well, I can't honestly recall now but it was around 1958.

Q. Were you at that time doing business with H. A. Friend and Company in Zion, Illinois?

A. Yes.

[RT 242, 243] Q. Did you, after this gentleman called on you, begin doing business with the Pasadena company?

A. Yes, sir, we did.

Q. When he called on you, did he give you any other, shall we say sales pitch?

A. Well, he really didn't have to. We have had a very compatible relationship with Friend, and I had had the opportunity to recommend their paper to several other attorneys, and they were satisfied, which made me feel good.

The man that called at my office was a very courteous individual. We went through his folder. I found several pieces of merchandise that they had that we should have been buying and hadn't, and that was a pleasant discovery too.

So he really didn't have to sales-pitch me, in the vernacular.

[RT 244] Q. Did it subsequently come to your attention that there was no connection between the first Friend that you had done business with and the one represented by the gentleman from Pasadena?

A. Yes, it did.

Q. How did you come to acquire that knowledge?

A. Well, I can't recall the date, but I am sure it was within a two or three-year period another gentleman appeared in our office and informed me that they were somewhat disappointed in the fact that we had stopped buying paper from Friend, which rather astounded me, and I then learned of the lack of connection between the Zion Friend and the Pasadena Friend.

Q. Did you have any personal reaction or feeling as to that?

A. Well, yes, I did. I felt I had been somewhat deceived—more than somewhat deceived.

In response to the Court's questions this point was summed up

The Court: Did you at that time draw any distinction between H. A. Friend and Company, Friend Paper Company or Friend and Company?

The Witness: No, your Honor. There was no distinction drawn other than the fact that the company that we did business with now had a Western division, and I can recall that quite vividly.

The Court: Do you recall at that time that you were dealing with a company at Zion, Illinois whose firm name had the word "Friend" in it somehow, is that right?

The Witness: Yes.

The Court: Is it true that any mention of Friend in connection with paper meant to you the Zion, Illinois company?

The Witness: Yes, your Honor.

Wilber Friend's first employee was Mr. Melvin Poole, who worked for him approximately twelve years assisting in running the business, and making calls on customers and prospective customers. Mr. Poole testified (TR 217) that 20% to 40% of the prospective customers he called

on were H. A. Friend & Co. customers. He stated that when someone asked what the business connection was between plaintiff and defendant his answer was: "(I) shrugged it off and said 'one and the same.'" His purpose in making this statement he knew was false was to gain business. (TR 228, 229.) He went on to testify that Wilber Friend "suggested" that he tell people plaintiff and defendant were "one and the same" (TR 218, 219). In spite of this, appellant asserts in its brief, p. 50:

"There is no evidence that he (defendant) ever told or instructed anyone else to tell, a customer that his business was connected with plaintiff."

Appellant apparently overlooks the testimony of the aforementioned witnesses and there are other similar misrepresentations found throughout the record.

Numerous other witnesses testified that plaintiff's customers were contacted by defendant, either by mail or by personal visit of Wilber Friend, and discontinued doing business with plaintiff and began doing business with defendant because of the misleading representations of Defendant and confusing similarity of the tradenames and trademarks. (Earle W. Zinn, Seattle, Wash., Exh 234 RT191; Darlene Pinkston, Wenatchee, Washington, Exh 236 RT192; Joseph L. Hughes, Wenatchee, Wash., Exh 235 RT191; Arthur M. Newton, Everett, Wash., Exh 237 RT192; James R. Gregg, Vancouver, Wash., Exh 245 RT194; Harold E. Whitney, Phoenix, Ariz., Exh 246 RT194; Albert W. Gurtler, Mesa, Ariz., Exh 247 RT195; Thomas J. Davis, Tucson, Ariz., Exh 248 RT195; John L. Augustin, Tucson, Ariz., Exs 249 RT196; Richard M. Krannawitter, Albuquerque, N. Mex., Exh 251 RT195; Erwin S. Moise, Santa Fe, N. Mex., Exh 411 RT197; Leder, Albuquerque, N. Mex., Exh 250 RT196; Sutin,

Albuquerque, N. Mex., Exh 253 RT196; Cunningham Centralia, Wash., Exh 264 RT208; Roick, Escondido Calif., Exh 265 RT209; Fowler, Salt Lake City, Utah Exh 267; RT209; James R. Wilson, Daytona Beach Florida, Exh 268 RT209.) All of these witnesses were customers who purchased from Plaintiff before they purchased from defendant except Mr. Wilson, of Daytona Beach, Florida, and defendant admitted his business was "probably" obtained by defendant as a result of a letter from Mr. Wilson to plaintiff which got into defendant's Post Office Box in Zion, Illinois. (RT 90)

From the foregoing evidence the District Court concluded: on that part of the case pertaining to Plaintiff's cause of action for common law unfair competition:

"In summary, this Court finds that Wilber, from the beginning of his Pasadena venture, tried, in every way he knew how, to capture for himself the goodwill that his father's company (the plaintiff) had developed among law offices in the western states. It is equally apparent that in this he was very successful. The many letters and depositions introduced into the record reveal that a substantial number of lawyers purchased their stationery from the defendants in the mistaken belief that they were dealing with the Western Division of the plaintiff.

"The trade name, Friend and Company, is very similar to that of H. A. Friend and Company, and the record shows clearly that confusion has resulted in the minds of customers and prospective customers throughout the western states. A court should be reluctant to limit a person in the use of his own name in his business. However, in the case at hand Wilber has been using the Friend name, not simply to identify his own business, but rather as a means of seeking wrongfully to identify his business with that of another."

Wilber Friend testified early in the trial (RT 49, 50) that he solicited business solely by personal calls and by mail, that is, he never advertised in magazines, newspapers or other types of media (RT 513 Pre Trial Conf. Order ¶17.) When asked “Q. Did you ever send samples to any H. A. Friend and Company customers? defendant replied “I never sent a sample to an H. A. Friend and Company customer, that I knew was a customer of H. A. Friend and Company. I wasn’t interested in their business.”

Later in the trial Wilber Friend testified (RT 442 L. 12) “I did not under any circumstances at any time tell anyone that I was connected with H. A. Friend and Company in a business way.

It is no surprise when comparing such statements with clear evidence that he tried in every way possible to take customers from plaintiff, that the District Court characterized Wilber Friend’s testimony as “unbelievable.”

V. INFRINGEMENT BY DEFENDANT’S USE OF THE TRADEMARKS “FRIEND’S”, “BARRISTER BOND” AND “BANNER BOND,” THOUGH SEPARATE CAUSES OF ACTION, ARE PART OF DEFENDANT’S PLAN TO TRADE ON PLAINTIFF’S GOOD WILL AND TRADE ON PLAINTIFF’S REPUTATION.

The District Court found, regarding defendant’s trademark violations

“As hereinabove noted, the plaintiff has been using various trademarks in connection with the business of selling stationery at retail ever since long prior to 1941. [RT 11, 12, 15.] Such use of the trademarks included their being affixed as watermarks upon the paper itself in the process of manufacture, through the use of “dandy rolls” in some mysterious manner that the paper mill operators understand.

“When the Friend Paper Company was formed the plaintiff purchased its requirements for paper bearing its various watermarks through Friend Paper Company. [RT 329] The reason for doing so was to obtain for the plaintiff the price benefits accorded a wholesaler, as is discussed earlier in this memorandum. [Appellant’s Br. p. 9 l 1-5; CT 95 lines 23-26.] It also has been mentioned herein that Wilber was in charge of the “business” of Friend Paper Company from the time that he was an employee of his father’s organization (the plaintiff). [RT 15, 310]

“Wilber now says that he *was* Friend Paper Company, that from the beginning it was his sole proprietorship, and that during the entire time that he was operating it in Zion he was doing so for his own account. He further testified that he even made a profit on the paper that Friend Paper Company purchased from the mill and resold at a larger price to his father’s company. [RT 301].⁴ He contends that

⁴ The reason that Wilber was successful for so many years in concealing the profits which he made on paper purchases for the Plaintiff was that he managed the H. A. Friend business and handled all purchasing and payments for purchases. (RT 301, l 19-RT 302 l 7.) Wilber’s testimony clearly shows that Wilber never told his father or brothers of the profits since, if he had told them, he could positively state they did know [RT 301, l 15-RT 302].

Defendant Wilber Friend called as an adverse witness for the plaintiff testified that he was “in charge of the business all through the years at various times,” and “did everything that was necessary in the operation of the business”, referring to the period following 1934 while defendant was associated with H. A. Friend and Company. Defendant also testified that he at least on some occasions signed checks and handled the books. [RT 20, l. 9-RT 21, l. 23.] Later he testified that his duties included handling sales letters [RT 25, lines 11-6] and ordering and paying for paper [RT 37 lines 16-25]. He also testified that he had been solely responsible for

inasmuch as he, through Friend Paper Company, has been purchasing and selling paper that was marked or otherwise identified with the trademarks here concerned, they somehow have become his trademarks and he has a right to continue to use them. In fact, he has been using several of them in his Pasadena establishment.⁵

“The short answer to Wilber’s contention is that, whether he knew it or not, during the entire time that he was operating Friend Paper Company in Zion, he was doing so as a fiduciary representative, or a constructive trustee, of H. A. Friend and Company and its owner (the plaintiff).⁶ One of the best

⁴ (Continued)

production of a catalog which H. A. Friend and Company produced in the mid 30’s and distributed to its customers in 1938 [RT 29, line 10-RT 30 line 15] and had a “great deal to do with” the production of a price list used by H. A. Friend and Company around 1948, [RT 30 line 20-RT 31 line 3] and which was mailed, using addressograph plates, throughout the Western states [RT 275, l 24-RT 277 l 21, X 75, X 13, X 152]. Further along in the trial defendant admitted assuming managerial duties as early as 1940. [RT 311, l 3-10]

⁵ The company name, H. A. Friend & Company was used by plaintiff and its predecessors long prior to any activity of Friend Paper Company (RT 12, L 14, 19,) and the record shows usage of “Friend’s” as a trademark as early as May 20, 1931 (RT 262, l 2-RT 263, l 1, Exh. 282. Pre-Trial Conf Order ¶ 9 CT 450.)

Defendant has admitted that plaintiff had customers in the States of California, Oregon, Washington, Utah, Arizona and Montana before any activities on the part of defendants in California. The record shows substantial priority of use of its marks by plaintiff in these and other western states, RT 13; l 4-24, 343 L 14.

⁶ The court found that the relationship of Wilber Friend as manager of H. A. Friend & Company prior to his leaving in 1949 was a fiduciary relationship, as a matter of law, arising out of his status as the managing partner

established principles of law is that a person who is dealing with a business as a partner, or in any other relationship of trust, may not take for himself any profit or advantage that he might obtain for the firm, without first making full disclosure to all of the owners of the firm and obtaining their full consent. Restatement Of Restitution § 190 et seq. (1937).

"The evidence clearly shows that Wilber made no disclosure to his father or his brothers that he was

⁶ (Continued)

of said partnership. The defendant was also bound by the 1941 partnership contract, which explicitly sets forth the terms of a fiduciary duty of the partners. Appellant in his brief, page 47, refers only to the part of that contract providing for partners to work full time, and states:

"It is well known that persons employed full-time habitually engage in some personal errands or business during a working day."

The appellant completely ignores the clear expression in the partnership contract which was discussed at length by the court and defendant's counsel at the concluding portion of the trial (RT 585.) As stated in the District Court's memorandum:

"The partnership agreement that they all signed on that date provided that each active partner should devote full time to the partnership business, should * * * be faithful to all the other partners in all transactions relating to the firm, and should not * * * engage in any business or activity which in any way does or may conflict with or operate to the detriment of the partnership business."

The agreement thereafter provided that Wilber should be the general manager of H. A. Friend & Company. Wilber testified he read and understood the agreement before he signed (RT 27 l 5-10) it, and it clearly bars Wilber from asserting adverse claims to the H. A. Friend & Co. trademarks and from making personal profits in the purchasing of paper for H. A. Friend & Company, all of which he did without informing his father or brothers. As a result of the clear obligations in the partnership contract, and as a result of the relationship of the partners of H. A. Friend & Company relied on and trusted Wilber.

using Friend Paper Company for his own benefit. [RT 301-302; RT 360; RT 529.] Their understanding, which Wilber carefully encouraged, was that he was operating Friend Paper Company as a part of his function as principal manager of H. A. Friend and Company, and that the former was being operated solely for the benefit of the latter.

“Under well established fiduciary principles, Wilber acquired no individual rights in or to any of the trademarks with which he was dealing while he was affiliated with H. A. Friend and Company. Insofar as the parties to this action are concerned, the entire rights in and to such trademarks remain in the plaintiff.

“One of such trademarks is “Friends”, which, as has been mentioned earlier in this memorandum, the plaintiff has been using for many years. In 1957, the plaintiff obtained from the United States Patent Office Registration No. 655,848 covering this trademark. Insofar as the defendants are concerned, the plaintiff owns the trademark and it is valid and subsisting. The defendants have been infringing the trademark such infringement has created actual confusion and the likelihood of further confusion,⁷ the defendants will be permanently enjoined from further violations. 15 U.S.C. 1116; *Tisch Hotels, Inc. v. Americana Inn Inc.*, 350 F.2d 609 (7th Cir. 1965).

“The plaintiff also has been using for many years the trademark, “Banner”, and has filed with the Patent Office Trademark Application Serial No.

⁷ Not only did defendant employ the identical marks claimed by plaintiff, he even went so far as to employ the same style of lettering for the works, except as to Banner Bond. Cf. Pltfs. Catalogs, watermarks, (X 10, 32 with D's Catalog X 84, 85.) The confusion caused by this copying is shown in the testimony of Mr. Dale Walker. RT 243, 1 12-244 1 4].

206,253 for the purpose of registering this mark. The defendants have filed notice of opposition to such application, and the matter is being held in abeyance in the Patent Office pending the outcome of this litigation. For the reasons hereinabove mentioned the defendants have no right to the use of the word "Banner", in any form as a trademark; the defendants have been wrongfully infringing that trademark; such infringement has created actual confusion and the likelihood of further confusion; the defendants will be enjoined from further infringement and from further opposing the plaintiff's application for registration.

"The plaintiff has been using the trademark "Barrister Bond", ever since prior to 1926.⁸ Trademark Registration No. 274,875 was issued to Gilbert in 1930 and was renewed for twenty years on September 9, 1950. Gilbert held the registration in trust for the plaintiff until January, 1965, and then formally assigned it to the plaintiff. The assignment was duly recorded in the Patent Office. RT 337.

"From the very outset of their stationery business in Pasadena, the defendants have advertised "Barrister Bond" stationery as being one of their prime items of merchandise. By so doing, they have infringed the plaintiff's valid and subsisting trademark. Such infringement has created actual confusion and the likelihood of further confusion; the defendant will be enjoined from further violations.

"In actuality, as the defendants well knew, they were not able to deliver to their customers any paper

⁸ The use of "Banner Bond" or "Banner Line" as trademarks by H. A. Friend & Company is admitted to go back to the 1920's. (RT 11 L 12-19; RT 14-25. Pre Trial Conf Order ¶ 6, 7 CT 449).

⁹ Use of "Barrister Bond" as a trademark and watermark by plaintiff and its predecessors commenced long before Wilber came to work for his father full time in 1932, RT 15, ¶ 14-25.

bearing the "Barrister Bond" watermark, because Gilbert honored the exclusive right of the plaintiff to such trademark and would not sell paper containing it to the defendants. Accordingly, whenever a customer ordered "Barrister Bond" paper from the defendants, the latter would fill the order by shipping paper carrying the watermark, "Bar Bond", which Gilbert was willing to manufacture and supply to the defendants. In his testimony at the trial, Wilber's explanation of this practice was his assertion that "Bar" (even without the period) is simply an abbreviation of "Barrister". [RT 60 l 19-22, RT 302 l 8-RT 303 l 6.] This seemed a bit surprising, but the Court feels that, under all of the circumstances, it should accept such explanation. Accordingly, the defendants will also be enjoined from further use of the "abbreviation", namely, "Bar Bond".

VI. DEFENDANT DELIVERED GRADES OF PAPER TO CUSTOMERS WHICH WERE INFERIOR TO THE GRADES LISTED IN DEFENDANT'S CATALOGS AND PRICE LISTS AND ORDERED BY CUSTOMERS. AS A RESULT, THE CUSTOMERS WERE CHEATED; DEFENDANT HAD AN APPARENT PRICE ADVANTAGE OVER PLAINTIFF, WHICH IT USED TO OBTAIN CUSTOMERS WHILE SELLING UNDER THE SAME MARKS; PLAINTIFF'S REPUTATION WAS SUBJECT TO ANY PREJUDICE ACCRUING AS A RESULT OF SALE OF SUCH GOODS; AND DEFENDANT SAVED LARGE SUMS OF MONEY IN PAPER COSTS.

The Court's decision on this point began:

"From the time Wilber first opened his Pasadena business, and until after this litigation was commenced, he caused his corporation to advertise his "Barrister Bond" stationery as containing 100% cot-

ton fibre.¹⁰ He also advertised his "Friend's Title Linen" as having 50% cotton fibre. [X 84, 85.] In actuality, about 80% of the envelopes that he delivered in response to orders for "Barrister Bond" had a cotton fibre content of 20%, and all but 5% of the "Title Linen" that he sold either contained only 25% cotton fibre, or was made of sulphite, which had no rag content whatever." [RT 223-225; RT 171-175].

The result of Defendant's misleading advertising is shown in testimony of Mr. Dale Walker. (RT 244 l 1-14).

Q. Was it your impression that the Barrister Bond envelopes were also 100 per cent?

A. I just naturally assumed they were. I know that we ordered them, let's put it that way.¹¹

The court went on to describe the extent of the economic advantage defendant derived from the paper cheating:

"According to Wilber's own admission, the relative mill costs per pound of these types of paper are 100% cotton—60¢; 50% cotton—40¢; 25% cotton—30¢; and sulphite—26¢ and lower. [RT 181-182].

"An officer of Gilbert testified without contradiction that, in general, the usable longevity of paper is

¹⁰ Defendant admitted that his customers ordered by specifying Barrister Bond or Title Linen Bond to represent respectively 100% and 50% cotton fiber content papers rather than by reference to percentage of cotton fiber content. (Pretrial Conference Order, paragraph 23, Ct. 451; RT 116, 117; RT 514, 515.) Similarly defendant's invoices to its customers listed only the names "Barrister Bond" and "Title Linen" to identify the grade of paper—not the percentage of cotton fiber content. (RT 233 L 11).

¹¹ Many of the customers were motivated to shift from plaintiff to defendant because of defendant's apparent price advantage, Jahnke RT 149 L. 3, Ussery X 177 RT 159, RT 184 L 19-23).

measured in years in direct proportion to its rag content, e.g., 100% cotton fibre should last 100 years, 25% cotton fibre—25 years, etc. He also established that the higher the percentage of cotton fibre, the better is the quality of the paper with respect to folding, tearing, erasability, etc. [Schmerein deposition, defendant's X BK, pp. 7-8.]

"The plaintiff has contended in its pleading and at the trial that such false description by the defendants of their goods has made them liable to the plaintiff pursuant to 15 U.S.C. 1125(a)."¹²

"The Court agrees with the plaintiff, and holds that the foregoing constitutes another aspect of un-

¹² Defendant has been able to lower his prices because of said savings and advertise that he has lower prices than his competitors or "the East", thereby inducing customers of plaintiff and of other competitors to buy from him. The record contains a complete list of all of defendant's paper purchases from Gilbert Paper Company, its major supplier, from 1955 to 1966. (Schmerein depn, X BK, p. 24-29, exhs. 19 and 20 through 29m.). It can be computed from these records that defendant purchased a variety of envelopes and flat typewriter papers of a lower grade than he advertised. For example, these records show that in this period Wilber Friend purchased over 600,000 lbs. of paper watermarked "Friend's Title Linen", which defendant advertised as 50% cotton fiber paper. The record shows that 98% of this paper was only 25% cotton fiber grade. From the finding of the Judge as to paper costs, it can be seen that on this item alone defendant saved \$.10 per lb. over what he would have had to pay for the goods of the grade he advertised. Thus, on this one item alone—title linen typing paper—he saved in paper costs over \$60,000.00, an amount substantially equal to the whole monetary judgment granted by the court below. In addition to the aforementioned "Title Linen" typing paper, defendant saved many times this amount by furnishing its customers 25% paper in its envelopes advertised as 100% Barrister Bond, and sulfite grade paper in its Title Linen envelopes which were advertised as 50% cotton fibre grade in defendant's catalogs and price lists. It would be a very conservative estimate to say

fair competition for which the defendants are liable to the plaintiff. The defendants clearly are in competition with the plaintiff in the western states, and anyone who, while purporting to sell merchandise that matches the quality of competing products, actually sells goods of much reduced quality and cost to him, gains an unfair advantage over his competitors.¹³ Moreover, and of much greater concern to the plaintiff from the standpoint of damage, is the likelihood that in future years people who have bought stationery from the defendants will become aware of its poor quality and will quietly determine never again to purchase "Friend's" papers. Because of the manner in which the defendants have fraudulently linked their own operation with that of the plaintiff, it is impossible to determine the full extent to which the false descriptions herein concerned have damaged the plaintiff already and will cause further injury in the future.

'Although section 43(a) [15 U.S.C. 1125(a)] makes no reference to injunctive relief, it is within the general power of a court of equity to grant it.' 1 Callmann, *Unfair Competition Trademarks and Monopolies*, Section 18.2(b) (Third Edition 1967).

¹² (Continued)

that the total judgment of \$65,000.00 awarded by Judge Gray to plaintiff, is considerably less than half of what defendant saved by his misrepresentation of paper quality completely apart from defendant's profits on the retail sale of paper under the trademarks of plaintiff.

¹³ The testimony of the confusion witnesses herein, previously quoted or referred to, show a clear sales pattern used by defendant. Defendant's sales pitch was that he could furnish the stationery to his customers for lower prices than from "Friends" in the east because of cheaper freight rates. Since a major portion of defendant's paper was from Gilbert Paper Company, which is located in Wisconsin and also supplied plaintiff, defendant obviously could not undercut plaintiff on paper of equal grade and quality.

“The plaintiff is entitled to, and will be accorded, an injunction against further misrepresentations by the defendants concerning the quality of their merchandise. See *Chamberlain v. Columbia Pictures Corp.*, 186 F.2d 923, 924 (9th Cir. 1951).

USE OF THE NAME, FRIEND PAPER COMPANY

“The record indicates that when Wilber announced his intention, in 1949, to engage in the *wholesale* paper business in California, none of his former partners raised any objection to his using the name, Friend Paper Company, in that type of operation.¹⁴ They reasonably concluded that no inherent confusion of identity would result from such an arrangement, inasmuch as the plaintiff’s sales have regularly been exclusively at retail to the consumer.”

The court then held that Wilber Friend could continue using the name Friend Paper Company in the wholesale, not retail, paper business.

VII. THE DOCTRINE OF LACHES DOES NOT APPLY IN THIS CASE BECAUSE PLAINTIFF TOOK TIMELY ACTION ONCE DEFENDANT’S ACTIVITIES WERE KNOWN TO ITS PARTICIPATING OFFICERS, BECAUSE DEFENDANT HAS BEEN ENGAGED IN DELIBERATE AND PLANNED UNFAIR COMPETITION AND TRADEMARK INFRINGEMENT, AND BECAUSE THERE HAS BEEN NO RELIANCE, DETRIMENT, OR CHANGE OF POSITIONS ON THE PART OF DEFENDANT.

On the issue of laches the court said,

“The record shows that in April, 1957, Harley A. Friend was made aware that a law firm in Seattle

¹⁴ Richard Friend’s deposition, XBH p 52 L 11-22, p 54 L 14-55 L 8, p 55 L 22-24 received evidence RT 449 L 21-RT 450).

Wm. Friend, secretary of plaintiff, testified that he assumed that Wilber would go into the wholesale business in California (RT 545, l 6-8).

was "taken in" by Wilber's course of conduct in seeking to create the hereinabove described confusion concerning the relationships between the Zion and Pasadena companies.¹⁵ However, he took no action

¹⁵ The court's reference was to an exchange of correspondence with the firm of Lycette, Diamond and Sylvester of Seattle, Washington which had been for many years, prior to February 1951, a customer of H. A. Friend & Company. After a routine sales follow up letter was written by H. A. Friend & Company, the Lycette firm, by Mr. Zinn, answered as follows (Zinn depn. exhibit 3) (TX 234):

We have your letter of March 29th in which you state that your file card on engraved stationery indicates that we have not purchased any stationery from you since February, 1951.

As I recall it, it was along about that time that we received a letter advising of the opening of an office at 55 West Green St., Pasadena, California, for the purpose of better enabling you to serve your west coast customers and suggesting that we enter our future orders through that office.

Since the Pasadena plant was opened we have been ordering all of our requirements from that plant.

In referring back to our files, I note that the name of the company in Pasadena is "Friend & Company" whereas your Zion firm is known as "H. A. Friend & Company". Perhaps we became confused in thinking the two companies were one and the same. Are we correct in assuming that the Pasadena firm is an affiliate of yours or a branch of your company?

The letter was intercepted by Mr. H. A. Friend who was then inactive in the management of the business due to ill health and only briefly made appearances at the offices of H. A. Friend & Company (RT. 534 l 19-24). Mr. H. A. Friend wrote the following letter in response to the Lycette firm (Zinn depn. exh. 2). (The parts in italics are the parts omitted in appellant's partial quote of this letter on pages 24 and 25 of appellant's brief):

We are in receipt of your nice letter of the 3rd, and we are sorry to know any firm would follow such

with respect to the matter prior to his death two years later, nor did he inform his other sons, who were his partners, concerning it.¹⁶ Perhaps such inaction stemmed from a father's natural reluctance to conclude the worst concerning his son, or from his hope that the incident reported to him had been an isolated one. In any event, the first knowledge that Richard, Howard or William had of Wilber's fraudulent conduct was in August, 1962, when William went to Albuquerque, New Mexico, on a sales pro-

¹⁵ (Continued)

a line of duplicity, however, several other customers of ours on the coast write us in this same manner.

This boy is my oldest son and was connected with this business in Zion but now has no connection with H. A. FRIEND & COMPANY in any manner. In fact, I was compelled to expell him from this business because of his misconduct.

We greatly appreciate your letter giving us this information and assure you, you will never get anything from this office but truth and honesty.

We would be pleased to take care of your needs again if you so desire.

¹⁶ At the time Mr. Friend wrote this letter, he was a very sick man and his condition steadily deteriorated until he died two years later at the age of 74. This is shown by Wilber Friend's own testimony (RT 395, 1 9-396, 1 1) quoted from a letter to him from his father, H. A. Friend on December 26, 1954, several years before the above exchange of correspondence. The letter read:

"My dear boy Wilber:

Well, I feel like I can write some today. My nerves have quieted down and I do feel some improved. I received the letters you wrote to me in Kansas City. Lucey would read them to me, but I was so sick, I could not understand."

Later Wilber Friend was asked (TR 509, 1 12):

"Q. Was your father in ill health before he died, or did he die suddenly?

A. I believe he was in ill health all through the years with increasing severity."

motion trip and saw the defendants' catalogue in a lawyer's office." ¹⁷

¹⁶ (Continued)

If H. A. Friend was in poor health as described in the December, 1954 letter quoted above, he was very ill indeed in the last two years of his life. William testified (RT 534 L 19):

"Q. Several years prior to his death in 1959, was your father active in the business?

A. Not too much. He was a diabetic, and he had a bad heart, and he would only come into the office and look over generally the mail in the morning and maybe come back in a little while in the afternoon."

¹⁷ William Friend testified that the first knowledge which the present management of H. A. Friend & Company obtained regarding the activities of defendant came when the witness, William Friend, went on a trip west. He saw for the first time one of Wilber Friend's 1962 catalogs, and he talked to former customers of H. A. Friend & Company, who had been deceived and who were doing business with defendant. (RT 531 l 13) Prior to that time Plaintiff's present officers believed that defendant was solely in the *wholesale* paper business in Pasadena, California under the name Friend Paper Company. (RT 397, l 10-14, 545 l 6-546)

Defendant claims that some idea of what defendant was up to resulted when one of the brothers, Howard, visited defendant's establishment in 1956. Defendant contends that Howard Friend "must have seen" the name on the door, "Friend & Company, Wholesale Paper". However, defendant never took the testimony of Howard Friend in order to bolster its affirmative defense of "laches, acquiescence and estoppel", although defendant took testimony of other witnesses in plaintiff's offices in Zion, Illinois when Howard was present. William testified that Howard mentioned nothing of interest pertaining to Wilber's business. (RT 543, l 14-22, 546 l 14-24) Timely and vigorous action was taken in 1963 after the nature of defendant's retail activities were revealed to plaintiff.

“The plaintiff sent to the defendants a demand for discontinuance on August 28, 1963, and after considerable subsequent correspondence, the plaintiff caused a complaint to be filed in the United States District Court for the Eastern District of Illinois late in 1963 or early in 1964. Wilber thereupon persuaded that Court that neither he nor his company had been doing business in Illinois since 1949(!). The complaint was therefore dismissed, and the present action was filed promptly thereafter.”¹⁸

The record is very clear that Wilber Friend maintained his rights to use “Friend” as a trademark and watermark for paper from the beginning of his operations in California on the distorted and perverted reasoning advanced as defenses in this case and was undeterred by anything part of plaintiff. In a letter of June 13, 1952, after a question was raised by Gilbert as to Wilber’s right to use “Friend” as a trademark (RT499, exh. 420, L.18), defendant stated to Gilbert, (RT501 L.5) “We intend to continue using this terminology. We have no real objection to H. A. Friend & Company using it also.” At the trial, (RT501 L.8) Wilber Friend was asked:

“Were you at that time convinced that you had rights to use ‘Friend’ as a brand name?”

and his answer was:

“Yes.”

The aforementioned letter to Gilbert concluded with defendant’s affirmation of his position wherein he said:

“My name happens to be Friend, and I intend to continue it regardless of anyone else in the business of that same name.”

¹⁸ Defendant never knew of the correspondence with the Lycette firm or with anyone else until the Lycette firm’s letter was filed with deposition of Mr. Zinn some time after August, 1965 and could therefore not have relied on any of the statements nor changed its position in reliance on them.

Defendant went on to testify (RT501, l 19) referring to the above:

“A. Yes. I intended to continue using it for the reasons I stated.

Q. Whether or not anybody objected to it?

A. Well, I wasn't going to go off the name of Friend because somebody objected to it.”

Defendant's dogged but baseless determination to use and continue using “Friend” regardless of the action or inaction of others is shown by the above testimony. A similar determination with respect to Barrister Bond is shown by defendant's continued use even after Gilbert refused to go through with an assignment of that mark. (X 414-418) Defendant's conduct with respect to both of these marks clearly negates any claim of reliance on his part.

The refusal of Gilbert to sell “Barrister Bond” water-marked paper to defendant left only one conclusion in the mind of H. A. Friend & Company and Gilbert—that Wilber had, through misrepresentation, sought to acquire rights to “Barrister Bond” in order to force H. A. Friend to buy this paper from him, the misrepresentations had been discovered and Wilber's attempt frustrated. The whole skirmish ended with Wilber receiving nothing and H. A. Friend could readily have concluded that the matter had been settled, finally and successfully, from the standpoint of H. A. Friend & Company. (DX N 13)

In its brief, page 19, appellant refers to the fact that from the beginning Wilber Friend had a plan “to go into the retail stationery business”. The brief states:

“Wilber Friend, while continuing to operate the Friend Paper Company, carried out his *plan* in 1949 to start up a retail stationery business similar to

that of H. A. Friend & Company, on the west coast, that is, the 13 far western states plus western Texas, as he had previously informed his father." (emphasis supplied)

There is no support for nor does appellant's brief refer to any support for the latter statement about informing his father other than Wilber's testimony, which Judge Gray characterized as "unbelievable." As previously referred to, H. A. Friend called Wilber's actions with respect to obtaining business from H. A. Friend's customer Lycette, Diamond & Sylvester of Seattle, Washington, "duplicity" and lack of "truth and honesty". The record supports the inference that Wilber's "plan" to start up a retail business was done under the smoke screen of Friend Paper Company's wholesale operations, but it was, as stated in appellant's brief, a "Plan".

VIII. THE FINDINGS BY THE DISTRICT COURT OF FRAUDULENT UNFAIR TRADE PRACTICES, WILLFUL TRADEMARK INFRINGEMENT, AND A CONSISTENT DESIGN BY DEFENDANT TO TRADE ON THE GOODWILL OF PLAINTIFF ARE ABUNDANTLY SUPPORTED BY THE RECORD, AND THERE IS NO CREDIBLE EVIDENCE TO DISPUTE THOSE FINDINGS.

The record shows that plaintiff has used the company name, H. A. Friend & Company, since prior to 1920, and that defendant adopted the company name, Friend & Company, with full knowledge of plaintiff's prior usage and in direct competition with plaintiff. The record also shows that defendant called itself, "Western Division" when it had no place of business except in Pasadena, California; and that defendant made oral and written announcements to plaintiff's customers in the western states which indicated that plaintiff had opened a west

coast branch and that the customers should send future orders to the Pasadena office, to "expedite" orders and save on freight charges. The record shows further that defendant used the slogans "since 1908", "serving the legal profession in every state since 1908", "The Friend organization has served the legal profession nationwide with quality products for 50 years", all of which slogans applied properly to plaintiff, but not to defendant; that defendant used maps in its catalogs which showed "general offices" at the place of business of plaintiff; and that defendant told customers who were confused about the relationship of plaintiff and defendant that defendant would "get your engraving die from our Zion office"; that defendant used identical trademarks and watermarks to plaintiff on identical goods with identical styles of lettering; and that defendant made numerous representations to customers which were shown by the undisputed testimony of over a dozen confusion witnesses, all intended to trade on plaintiff's goodwill.

Defendant's business in California was built on a planned program of continuous and systematic unfair trade practices, from the time defendant started business in California in the 1950's through the time of the trial.

Defendant's own counsel admitted, during the final arguments at the conclusion of the trial regarding defendant's business activities in California; "I think the name and the literature creates confusion. I would not deny it." (RT 593, L 21, 22).

Despite the clear showing of willful infringement and unfair competition by defendant, Wilber H. Friend, and despite the characterization of the testimony of defendant as "unbelievable" by the District Court, the essence of appellant's brief is a challenge of the findings of the

District Court on the basis of this “unbelievable” testimony of defendant.

The trial court made its finding based, not on the unsatisfactory (RT 579 L 20, 21) testimony of Wilber Friend, but on testimony of William Friend, voluminous documentary evidence, such as the letters between Gilbert and the respective parties, on depositions of witnesses such as Schmerin and Ashton, which support the findings of the court and contradict the testimony of Wilber Friend and the arguments of appellant in its brief, which are based on Wilber Friend’s testimony. Wilber Friend contradicted himself; for example in early 1964 he filed an affidavit in the Chicago case supporting his motion to dismiss for lack of personal jurisdiction saying he (or defendant) had no place of business and conducted no business *in Illinois*. Throughout the trial he testified that he *had* a place of business in Illinois since that is the only way he could attempt to justify his use of “western division” and many other of his fraudulent acts.

This court has held that it does not sit to retry the factual issues *Bloom v. U.S.*, 1959, 272 F2d 215, 223; that the burden is on him who attacks a finding to show that it is clearly wrong *Grace Bros. v. C.I.R.*, 1949 173 F2d 170; and that the “clearly erroneous” rule applies even to inferences drawn from documents or undisputed facts, *Snider v. England*, 1967 374 F2d 717, 720, Cf. *Lungren v. Freeman*, 1962 307 F2d 104.

Appellant suggests [Br p 40] that some other standards apply—that “A finding of the District Court should be reversed and set aside where there is no substantial evidence to support it, or where it is clear that a mistake has been committed” citing *Lassiter v. Guy F. Atkinson Co.*, 176 F2d 984, 993. This case doesn’t quite say what appellant attributes to it. The opinion states (at p 993)

“If on the entire evidence, we are ‘left with a definite and firm conviction that a mistake has been committed’ it is our duty to reverse the finding.”

Appellant states also, on page 40 of his brief that a finding of a District Court should be reversed where “it is against the clear weight of the evidence” citing *Cleo Syrup Corp. v. Coca-Cola Co.*, 139 F2d 416, 417 (CA 8, 1943). Again the court’s decision reads somewhat different from appellant’s summary of what the court said. The decision in the *Cleo* case read (p. 417-418)

Whether the present dress or make-up of the trade name “Cleo Cola” renders that trade name so similar to the trademark “Coca-Cola” that the former deceives, or will probably deceive, purchasers and cause them to buy the product of the defendant in the belief that it is the product of the plaintiff, is a question of fact. The District Court, which was the trier of the facts, has determined that issue in favor of the plaintiff. This Court, upon review, will not retry issues of fact or substitute its judgment with respect to such issues for that of the trial court. (citing cases) The power of a trial court to decide doubtful issues of fact is not limited to deciding them correctly. (citing cases) In a non-jury case, this Court may not set aside a finding of fact of a trial court unless there is no substantial evidence to sustain it, unless it is against the clear weight of the evidence, or unless it was induced by an erroneous view of the law. (citing cases) * * * In determining whether there is a sufficient evidentiary basis for the court’s findings of fact, we must take that view of the evidence and the inferences deducible therefrom which is most favorable to the plaintiff.

The “whole record” here supports the District Court’s decision. *Audio Fidelity Inc. v. High Fidelity Recordings, Inc.*, 9th Cir. 1960 283 F2d 551, 557, 558.

The interest of the law, as stated by the Trial Court and this court on many occasions, is to protect legitimate competitors from fraud and unfair trade practices and protect the purchasing public from deceit. Appellant's brief, on the other hand, is directed entirely at challenging plaintiff's "ownership" of certain "rights". As Professor Gobel stated in his article entitled "Where and What a Trademark Protects", 22 Ill. Law Review, 379, he puts "the cart before the horse." "If the plaintiff wins he has a property interest, but if he loses he does not have such an interest. If he gets judgment the court thereby establishes his right that the defendant shall not do the act complained of." While plaintiff's rights in the name H. A. Friend & Company and the business goodwill associated therewith, and in the trademarks "Friend's", "Barrister Bond" and "Banner" and the registrations for "Friend's", and "Barrister Bond" are clearly shown by the evidence, an independent answer to the contentions of defendant's brief is that in protecting competition and the public from fraud, a court will uphold the rights of a plaintiff. As the California Supreme Court stated in *American Philatelic Society v. Claibourne*, 3 Cal. 2d 289, 46 P. 2d 135, 140, (1935);

"It is to be borne in mind that the rules of unfair competition are based not alone upon the protection of a property right existing in the complainants, but also upon the right of the public to protection from fraud and deceit."

* * * When a scheme is evolved which on its face violates the fundamental rules of honesty and fair dealing, a court of equity is not impotent to frustrate its consummation because the scheme is an original one. There is a maxim as old as law that there can be no right without a remedy and in search-

ing for a precise precedent, an equity court must not lose sight, not only of its power, but of its duty to arrive at a just solution of the problem”

Trademark and Unfair competition laws are designed to protect the public from confusion and deception, as well as to protect legitimate business. *Stork Restaurant Inc. v. Sahati*, 166 F.2d 348 at 363 (9 Cir. 1948). Any attempt by a defendant to trade on the name or business reputation of another, where confusion or deception of the public results or is likely to result, is unfair competition under California law. *California Civil Code*, Section 3369; *People v. National Research Co. of Cal.*, 133 USPQ 413 (Cal. Dist. Ct. of App. 1962); *Metro-Goldwyn-Mayer Inc. v. Lee*, 137 USPQ 573 (Cal. Ct. of App. 1963).

Defendant's own efforts to trade on the reputation of plaintiff is clear evidence that plaintiff's rights have been established, for copying of a trademark, trade name, or dress of goods of a prior user, constitutes proof:

(a) That the mark, name or dress identifies the prior user as the source of the goods to the buying public. *Audio Fidelity, Inc. v. High Fidelity Recordings, Inc.*, 283 F.2d 551, 127 USPQ 306 (9th Cir. 1960); and

(b) That the purchasers will be confused. *National Lead Co. v. Wolfe*, 223 F.2d 195, (9th Cir. 1955).

Thus, defendant's contention that plaintiff has no “rights” which can be protected by the District Court is refuted by defendant's own conduct and by the clear and abundant evidence of consumer confusion. Evidence of actual confusion, along with evidence of prior use, is proof that customers associate a mark or name with a

source of goods, that is, the existence of “secondary meaning.” *Little Tavern Shops v. Davis*, 116 F.2d 903 at 906, 48 USPQ 161 (4th Cir., 1941); *National Lead Co. v. Wolfe*, (9th Cir.) 223 F.2d 195, 105 USPQ 623. It is axiomatic that identification of plaintiff’s name as source of the goods must exist in the mind of the purchaser before confusion, that is, misidentification, can occur as a result of defendant’s activities.

IX. WHERE DEFENDANT ENGAGED IN FALSE ADVERTISING AND SUBSTITUTION OF INFERIOR GOODS SUCH CONDUCT SHOULD BE ENJOINED AND DAMAGES AND PROFITS AWARDED UNDER 15 U.S.C. 1125(a) OR UNDER CALIFORNIA LAW OF UNFAIR COMPETITION.

In *L’Aiglon Apparel v. Lana Lobell, Inc.*, 214 F.2d 649, 3 Cir., 1954), the court held that in 15 U.S.C. 1125(a) Congress had defined a “statutory civil wrong” creating liability for false representation of goods. See *Maternally Yours v. Your Maternity Shop*, 234 F.2d 538 (2 Cir., 1955); *Gold Seal Co. v. Weeks*, 129 F.Supp. 928 DDC 1955, aff’d per curiam sub. nom.; *S. C. Johnson & Son, Inc. v. Gold Seal Co.*, 230 F.2d 832, DC Cir., 1956; *Parkway Baking Co. v. Freihofer Baking Co.*, 255 F.2d 641, 3 Cir., 1958); *Federal-Mogul-Bower Bearings Inc. v. Azoff*, 313 F.2d 405, 136 USPQ 500 (6th Cir. 1963); *Glenn Advertising Publications Inc.*, 251 F.Supp. 889, 148 USPQ 645 (S.D. N.Y. 1966); *Mutation Mink Breeders v. Lou Neirenberg Corp.*, 23 F.R.D. 155, 120 USPQ 270 (S.D. N.Y. 1949).

On remand in the *L’Aiglon* case the District Court awarded damages in the amount of \$17,500 for the false representation under 15 U.S.C. 1125(a). Compare *Monanto v. Perfect Fit Prods.*, 349 F.2d 389, 146 USPQ 512.

Injunctive relief and a monetary award for false representation and false advertising may be predicated on the common law apart from the statute, *Restatement of Torts* section 761, *Hesse v. Grossman*, Cal. App. 313 P. 2d 623, 629 (1957), *McCord v. Plotnick*, 108 Cal. App. 2d 393, 239 P. 2d 32 (1951).

The appellant however, contends that there was no passing off in connection with its paper cheating and therefore that neither an injunction nor monetary award is permissible under the Lanham Act or the law of unfair competition. That this contention is erroneous is clearly demonstrated by the record and the findings of the district judge. However, even if there were no passing off, the award should be sustained.

It is true that this court, in dictum in *Chamberlain v. Columbia Pictures*, 186 F.2d 923 (9 Cir., 1951) stated passing off was necessary to invoke 15 USC 1125(a). However this court found in the *Chamberlain* case that plaintiff did not have exclusive rights which were the basis for her claim and was not in competition with defendant. Accordingly, the issue of passing off, sale of defendant's product as plaintiff's could not have arisen and therefore any statement referring to passing off was dicta.

The dicta in the *Chamberlain* case is inconsistent with this court's decision in the *Brooks Bros.* case 158 F.2d 798, 72 USPQ 66, affirming per curiam and adopting as its own the District Court's opinion, *Brooks Bros. v. Brooks Clothing of California, Inc.*, 60 F.Supp. 442, 65 USPQ 30 and the decision of the California Supreme Court in *American Philatelic Society v. Claiborne*, 3 Cal. 2d 289, 46 P.2d 135. The *Brooks* decision says 60 F.Supp. at 451 that proving passing off is *not* necessary in unfair competition cases, citing a U.S. Supreme Court case as prin

iple authority for this proposition. In the *American Philatelic* case the court held that non-competitors of defendant had standing to bring an action to stop defendant from altering and selling spurious stamps, thus necessarily holding that proving passing off is not required in so-called "unfair competition" cases.

Since *Chamberlain*, other circuits, in fully reasoned opinions on the merits have rejected the passing off requirement, *Federal-Mogul-Bower Bearings v. Azoff*, 313 F.2d 405 (6 Cir., 1963); *L'Aiglon Apparel v. Lana Lobell, Inc.*, 214 F.2d 649, (3 Cir., 1954); *Gold Seal Co. v. Weeks*, 129 F.Supp. 928 (DCC 1955); affirmed per curiam, sub. nom. *S. C. Johnson & Sons, Inc. v. Gold Seal Co.*, 230 F.2d 332, (D.C. Cir., 1956); as have several District Courts: *Norwich Pharmica Co. v. Hofmann-La Roche, Inc.*, 180 F.Supp. 222, (D. N.J., 1960); *Smith-Victor Corp. v. Sylvania Electric Products, Inc.*, 242 F.Supp. 302, (N.D. Ill., 1965); *Mutation Mink Breeders Ass'n v. Lou Nierenberg Corp.*, 23 F.R.D. 155, (S.D. N.Y., 1959).

As Judge Learned Hand pointed out in *Ely-Norris Safe Co. v. Mosler Safe Co.*, 7 F.2d 603, (2 Cir., 1925) at page 604,

"there is no part of the law which is more plastic than the law of unfair competition, and what was not reckoned an actionable wrong 25 years ago may have become such today."

In view of these developments, appellee respectfully submits that the dictum of the *Chamberlain* case should not be followed. The *Chamberlain* case does nothing but discourage honest competitors from bringing actions to stop fraud and deception.

X. A COURT MAY DETERMINE THE AMOUNT OF DAMAGES BY REASONABLE APPROXIMATION FROM EVIDENCE IN THE RECORD ONCE THE FACT OF DAMAGE IS ESTABLISHED.

The fact of damage resulting from all of defendant's unfair trade practices is clearly shown by the record. Defendant took customers away from plaintiff using plaintiff's trade made and trademarks and misrepresenting that he was a West Coast branch of plaintiff. He was aided in this by his being able to hold himself out as offering his goods at lower prices made possible by his substitution of inferior grades of paper.

Plaintiff need show only a reasonable approximation to support an award of damages. In *Universal Pictures Co. v. Harold Lloyd Corporation*, 162 F.2d 354 (CA 9, 1947) at page 368, a copyright case, the court stated:

"In *Story Parchment Co. v. Paterson Parchment Paper Co.*, 282 U.S. 555, 562, 563, 51 S.Ct. 248, 250, 75 L. Ed. 544, it is said: It is true that there was uncertainty as to the extent of the damage, but there was none as to the fact of damage * * *. The rule which precludes the recovery of uncertain damages applies to such as are not the certain result of the wrong, not to those damages which are definitely attributable to the wrong and only uncertain in respect of their amount. * * *. In such case, while the damages may not be determined by mere speculation or guess, it will be enough if the evidence shows the extent of the damages as a matter of just and reasonable inference, although the result by only approximate. The wrongdoer is not entitled to complain that they cannot be measured with the exactness and precision that would be possible if the case, which he alone is responsible for making, were otherwise.

See *Bigelow v. RKO Radio Pictures, Inc.*, 327 U.S. 251, 66 S. Ct. 574, 580, 90 L. Ed. 652, in which it is

said: The most elementary conceptions of justice and public policy require that the wrongdoer shall bear the risk of the uncertainty which his own wrong was created * * *.

The constant tendency of the courts is to find some way in which damages can be awarded where a wrong has been done. Difficulty of ascertainment is no longer confused with right of recovery for a proven invasion of the plaintiff's rights." [Cases cited]

In *Eastman Kodak Company v. Southern Photo Materials Company*, 273 U.S. 359, the Supreme Court held at page 378:

"Damages are not rendered uncertain because they cannot be calculated with absolute exactness. It is sufficient if a reasonable basis of computation is afforded, although the result be only approximate. This, we think, was a correct statement of the applicable rules of law. Furthermore, a defendant whose wrongful conduct has rendered difficult the ascertainment of the precise amount is not entitled to complain that they cannot be measured with the same exactness and precision as would otherwise be possible."

The record here has ledger sheets and correspondence relating to orders of customers who bought from both plaintiff and, after being confused, from defendant, from which the court could readily estimate plaintiff's damages. See *Maier Brewing v. Fleischmann Distilling*, 390 F.2d 17.

**XI. THE DISTRICT COURT'S FINDING THAT THE
EQUITABLE DOCTRINES OF LACHES, ACQUIES-
CENCE AND ESTOPPEL DO NOT PROTECT DEFEN-
DANT FROM AN AWARD OF INJUNCTIVE RELIEF
AND MONETARY RECOVERY CAN NOT BE CALLED
A CLEAR ABUSE OF DISCRETION.**

In trademark and unfair competition suits, the defense of estoppel requires proof of actual knowledge by the plaintiff of the infringer's activities, deliberate silence as to these activities by the plaintiff, an absence of knowledge by the infringer of the right of the plaintiff, innocent reliance by the infringer on the silence of the plaintiff, and a prejudicial change of position by the infringer based on said innocent reliance. *Parker v. Sager*, 174 F.2d 657 at 660 (DC Cir. 1949); *National Lead Co. v. Wolfe*, 223 F.2d 195, 105 USPQ 462 (9th Cir. 1955). None of the elements of estoppel were proved by defendant or are present in this case.

Defendant's adoption of confusingly similar trademarks and trade names, with knowledge of plaintiff's prior use, defendant's intentional fraud and deliberate misrepresentation, and plaintiff's incontestable trademark registrations bar the defense of laches, for laches does not apply under these circumstances, especially in a case for injunctive relief. *Menendez v. Holt*, 120 U.S. 514 at 523; *Apple Growers Assn. v. Pelletti Fruit Co., Inc.*, 153 F.Supp. 948, 115 USPQ 171 (DC ND Cal. 1957); *Standard Oil Co. v. Standard Oil Co.*, 252 F.2d 65, 116 USPQ 176 (10th Cir. 1958); *General Motors Corp. v. Smith*, 138 USPQ 382 (DC SD Cal. 1963); *Brooks Bros. v. Brooks*, 60 F.Supp. 442, 65 USPQ 301 (DC SD Cal. 1945).

In addition, defendant's misrepresentations and deceit of the purchasing public bars the defense of laches in this case, for laches is not a defense, when the public

interest is involved. *Menendez v. Holt, supra, Scott Paper Co. v. Marcalus Co.*, 326 U.S. 249 at 257, 67 USPQ 193 at 197 (1945).

Although the law cited above clearly shows that there can be no laches in this case, as a matter of law, it should also be pointed out that the District Court found an absence of laches as a matter of fact. The court found that the present management of plaintiff did not know of defendant's infringing activities until the latter part of 1962, and that plaintiff wrote defendant promptly upon learning of defendant's activities and objected to the infringement (August, 1963), and that plaintiff filed suit in the latter part of 1963 or the early part of 1964 (The Chicago suit was filed in January, 1964). This action was commenced in June, 1964.

While appellant devotes a great deal of his brief to the question of laches, there can clearly be no laches, acquiescence or estoppel in regard to the subject matter of the second cause of action (66-470-WPG) relating to misrepresentation of the cotton fibre content of defendant's papers. The record is clear that the relative cotton fibre content in new paper cannot be determined by visual comparison or by means other than a laboratory test, and plaintiff had no reason to know of defendant's paper cheating prior to the filing of this action. (It is only as paper ages that cotton fiber content becomes apparent, for low-cotton paper discolors faster than high-cotton paper.)

This Court has held that laches is a question of fact, *Speed Corporation v. Webster*, (CA9, 1959), 262 F.2nd, 83. And this Court stated in *Whitman v. Walt Disney Productions, Inc.*, (CA9, 1958) 263 F.2d 229 at 231:

"mere passage of time cannot constitute laches, but if the passage of time can be shown to have lulled

defendant into a false sense of security, and the defendant acts in reliance thereon, laches may, *in the discretion of this trial court, be found.*”

The court therein referred to the leading decision in this Circuit, *Gillons v. Shell Co. of California*, (CA9, 1936) 86 F.2d 600, where it was stated at page 604 that:

“at the outset, it will be helpful that we place our inquiry into its proper setting. It must be borne in mind that the decision of the trial Court on the subject of laches will not be set aside unless it is palpably wrong.”

“In *The Kermit*, 76 F.(2d) 363, 367, certiorari denied, *Lamborn v. American Ship & Commerce Nav. Co.*, 296 U.S. 581, 582, 56 S.Ct. 93, 80 L.Ed. 411, we said: ‘As the decisions indicated, the question of laches is addressed to the sound discretion of the trial judge, and his decision will not be disturbed on appeal unless it is so clearly wrong as to amount to an abuse of discretion.’ See, also 21 C.J. 217-219.”

The trial court here found that there was no laches. Defendant’s own testimony showed that his father, who had received a letter from a deceived customer and thereby obtained some knowledge of part of defendant’s activities, was seriously ill and incapacitated. When the father died, two years later, whatever knowledge the father had died with him. Defendant contends that the partial knowledge of his ill father concerning defendant’s infringement or unfair competition requires a finding of laches in this case, because of the holding in the *Whitman* case, above. However, the *Whitman* case does not control where plaintiff had no effective knowledge because of ill health of the actions of defendant, and the language of the *Whitman* case implies support for the finding of Judge Grey herein. In *Whitman*, this Court stated as follows:

“In our instant case the delay was fourteen years; *no charge of fraud or deception on the part of appellees was made; there is no charge of inability to bring the suit because of insufficient knowledge* (to the contrary, the knowledge on which the third suit was based in 1953 is the same knowledge as appellant had in 1939); no point is made of lack of funds, or absence from the country or *poor health*, or confinement in any institution.

* * *

“We agree with the trial judge that *Gillons v. Shell Co., supra*, establishes the rule that *the question of laches in such a case as this is a matter for the discretion, judicially exercised, of the trial court.* We affirm that while ‘mere’ delay may not constitute laches, unreasonable or unexplained delay well may. *Kemberly Corp. v. Hartley Pen Co., supra*, 237 F.2d at page 301.

We find no indication that the district court abused its discretion; and the judgment is affirmed.” (emphasis added)

The defense of laches is an equitable defense, which will not be sustained in cases of deliberate and intentional trademark infringement or unfair competition. In *National Lead Co. v. Wolf*, (CA9, 1955) 223 F.2d 195 this court disposed of the question by saying “In the light of the intentional and fraudulent use of appellant’s trade name, the defense here is a frivolous one.” The letter relied on by defendant to support its equitable defense of laches, acquiescence and estoppel, by its own terms negatives all three defenses. In it his father speaks of Wilber’s “misconduct” causing his dismissal from H. A. Friend and Company, and refers to Wilber’s “duplicity” and lack of “truth and honesty” In the same case of *National Lead Company v. Wolfe*, at page 203, this court re-

jected a claim that a letter written from one official of National Lead Company to another, tending to support Wolfe's defenses, would support the equitable defense of laches, or acquiescence, on the obvious ground that this was an intra-company communication not seen by defendant. The correspondence relied on by defendant was never known to the defendant until this action was brought, and plaintiff filed the letters as exhibits to the deposition of Mr. Earl Zinn. As in the *National Lead* case, "there was no reliance upon it by appellees", and it should serve as no basis for defendant's equitable defense of laches, acquiescence and estoppel.

Complete absence of any reliance by defendant on anyone, think H. A. Friend & Co. or its officials did or didn't do is shown by Wilber Friend's testimony, quoted on pages 37-38 herein.

XII. THE DISTRICT COURT PROPERLY AWARDED PARTIAL ATTORNEY'S FEES TO PLAINTIFF BECAUSE OF DEFENDANT'S WILLFUL AND CALCULATED ACTS OF UNFAIR COMPETITION DELIBERATELY DESIGNED TO TRADE ON PLAINTIFF'S GOODWILL AND TO DEFRAUD PURCHASERS.

The District Court awarded \$30,000, attorney's fees, which was slightly less than half the actual attorney's fees and expenses incurred by plaintiff, (CT 454-459), citing *National Van Lines, Inc. v. Dean*, 237 F.2d 688, 111 USPQ 165 (9th Cir., 1956), in which this Court awarded attorney's fees for deliberate acts of unfair competition at common law. *National Van Lines* expressly ruled that it was unnecessary to decide issues of trademark infringement under the Lanham Act. Subsequently, in *Maier Brewing Co. v. Fleischmann Distilling Corp.*,

59 F.2d 156, 149 USPQ 89, this could be held in an en banc decision regarding a purely statutory trademark infringement action, (the unfair competition issues having been excised as a result of an earlier appeal in the same case, 14 F.2d 149, 136 USPQ 508) that attorney's fees are not authorized by the Lanham Act, because the Lanham Act dealt in detail with monetary relief for statutory trademark infringement and was silent as to attorney's fees.

This court in the *Maier* case, in the next to the last paragraph stated (149 USPQ 96)

"We hold that attorney's fees are not recoverable in trademark infringement cases under the Lanham Act, primarily because the Congress has not provided for them. We do not think that such cases are among the exceptional ones of which Mr. Justice Frankfurter spoke in *Sprague v. Ticonic Bank*, *supra*. We do not think that we should create an exception when Congress has legislated so fully, in the area, and has not provided for attorney's fees. We overrule *Wolfe*, to that extent, and limit *National Van Lines* to its actual holding, as to the correctness of which we express no opinion."

In the *Maier Brewing* case on attorney's fees, the court stated in footnote 7:

"*High Fidelity Recordings, Inc. v. Audio Fidelity, Inc.*, 9 Cir., 1962, 305 D.2d 86, 134 USPQ 93, relied primarily on *National Van Lines*. It was an action for unfair competition under California law. It was not a trademark case. We need not consider whether it correctly applied California law."

The Supreme Court in *Fleischmann Distilling Corp. v. Maier Brewing Co.*, 386 U.S. 714, affirmed this court by saying that attorney's fees are not provided for by

the Lanham Act and cannot be awarded in purely statutory trademark cases brought under the Lanham Act. It should be clearly noted, however, that neither the Supreme Court nor this Court was concerned with an unfair competition situation arising under common law or state statute. The Supreme Court stated in *Fleischman v. Maier Brewing* that attorney's fees may be awarded in appropriate cases under the general equity power of the courts.

Thus, *Fleischmann v. Maier Brewing* does not apply to trademark infringement causes of action arising under common law or to unfair competition causes of action arising under common law or state statute. Since this case involves both these causes of action, as well as separate causes of action arising under the Lanham Act, the decisions in *Fleischmann v. Maier Brewing* do not preclude attorney's fees here. See, generally, commentaries on this court's decision, McCormick, "Trademarks—Successful Plaintiffs in Trademark Infringement Action Under the Lanham Act May Not Recover Attorney's Fees", 65 Mich. L. Rev. No. 3, January, 1967, 57 T.M. Rep. 343. On the contrary, the cases clearly show that attorney's fees are allowable in actions against reprehensible and heinous unfair competition which violate the common law and the statutes of California, as well as the Lanham Act, *National Van Lines, Inc. v. Dean* above; *Audio Fidelity, Inc. v. High Fidelity Recording, Inc.*, 305 F.2d 86, 134 USPQ 93 (9 Cir., 1962); *Singer Manufacturing Co. v. Redlich*, 109 F.Supp. 623, 96 USPQ 85 (DC SD Cal. 1952), see also *Hulbert Oil & Grease Co. v. Hulbert Oil & Grease Co.*, (CA 7, 1967) 371 F.2d 251, 152 USPQ 87, an Illinois unfair competition case where attorney's fees were affirmed despite a general rule against attorney's fees; *Monsanto v. Perfect Fr*

Products, 349 F.2d 389. It should be noted in this regard that the District Court was fully apprised of the holding of this court in *Fleischmann v. Maier Brewing* and was clearly aware of the distinction between causes of action arising under the Lanham Act only and causes of action involving violations of state statutes and common law regarding unfair competition. (RT 605-606)

Aside from the clear language in *Fleischmann v. Maier Brewing* that the holding should be limited to cases arising only under the Lanham Act, this position finds support in a recent decision of the Supreme Court of New Jersey in *Red Devil Tools v. Tip Top Brush Co., Inc.*, 157 USPQ 456, a case involving trademark infringement under the Lanham Act as well as violations of common law trademark rights and unfair trade practices. The court held that an award of attorney's fees is proper, where the defendants deliberately chose an identical mark in related goods for the purpose of benefiting from the plaintiff's established reputation.

Applying the rationale of *Monsanto Chemical Co. v. Perfect Fit Products*, 349 F.2d 389, 146 USPQ 512 (2 Cir., 1965, Cert. denied 383 U.S. 942, 16 L.Ed. 2d, 206, 48 USPQ 772, 1966) the court stated at page 462, that its ruling allowing attorney's fees * * * is

“not precluded by anything in *Fleischmann v. Maier Brewing Co.*, *supra*, 386 U.S. 714, 18 L. Ed. 2d 475, 153 USPQ 432. * * *. *Fleischmann* governs proceedings under the Lanham Act but has no relation to unfair trade practice cases under the common law.”

The *Monsanto* case which was cited in the *Red Devil Tools* opinion was also relied upon by this court in the latest *Fleischmann v. Maier Brewing* case regarding an accounting of profits: In the *Monsanto* case, the District

Court had awarded attorney's fees to plaintiff, the proprietor of the mark "Acrilan", by reason of defendant's use of the mark "Acrilan" on mattress pads falsely labeled "acrilan filled." The court stated, at p. 391, that the defendant's acts:

"constituted unfair competition and that it had acted 'willfully with full knowledge of plaintiff's rights and as a part of a pre-conceived plan to trade upon plaintiff's goodwill.'"

The Second Circuit Court of Appeals affirmed the award of attorney's fees and also allowed Monsanto \$1500 for legal expenses *on the appeal*, in addition to awarding an accounting of profits on the theory of restitution and unjust enrichment, (a theory which was later adopted by this court in the latest *Fleischmann v. Maier Brewing* case). This case is strikingly similar to the *Monsanto* case above, in that defendant here was furnishing his customers papers of a markedly lower grade than the papers were represented to be in defendant's catalogs and price lists. This case is far more aggravated than the *Maier* case where the parties were not in direct competition and as pointed out by this court in its decision on attorney's fees, the defendant even won in the initial decision of the trial court. Defendant here not only used the fact that his prices were (on their face) somewhat lower than plaintiff's, to obtain customers from plaintiff (and others), but he made enormous profits by selling these inferior grades of paper over a period of approximately 10 years, from 1956 through 1966, at prices which were higher than normal for the actual paper grades involved. In other words, defendant used his paper cheating to shave his prices below those of competitors and still sell at a higher-than-normal profit.

Even at the present time, defendant continues to sell the same grades of paper, and although he claims to

have blocked out the references to paper percentages in his price lists, the fact remains that thousands of catalogs and price lists containing the false statements as to paper grades are out in the hands of customers (X84, RT 222-223), and defendant does not claim they have been recalled. What is even more striking, if not shocking, is that on this appeal defendant claims the District Court erred in enjoining him from falsely advertising his papers. Assignment of error number 20 reads as follows:

“(The District Court erred) in enjoining defendants from selling stationery of different quality than advertised.”

Thus while defendants, in their brief at page 82, claim to have repented, they persist in their assertion that the injunction was improper. These facts clearly show that the actions of defendants are fraudulent in the extreme, and that attorney's fees are allowable in this case under the doctrine of the cases cited above.

There is an additional rationale for awarding attorney's fees in this particular case, based on the Supreme Court case *Sprague v. Ticonia National Bank*, 307 U.S. 161 (1939), discussed by both this court and the Supreme Court in the Maier decisions. The Supreme Court referred to the *Sprague* case as one of the exceptions to the general proposition that attorney's fees are not normally assessed against an unsuccessful litigant. After discussing situations where attorney's fees are awarded to one who is successful in establishing a fund, for the benefit of other litigants similarly situated, the court points out that the *Sprague* case involves an analogous exception. As the Supreme Court stated in the *Maier* case:

“*Sprague* itself involved a variation of the common fund situation where, although the plaintiff had not

in a technical sense sued for the benefit of other or to create a common fund, the stare decisis effect of the judgment obtained by the plaintiff has established as a matter of law, the right of a discernible class of persons to collect upon similar claims.”

Thus, the general equity power “to do equity in a particular situation” supports an award of attorney’s fee under circumstances wherein a successful suit by a plaintiff creates a clear benefit or potential benefit to others for the same reasons that underlay the common fund decisions. *Reconstruction Finance Corp. v. J. G. Menihan Corp.*, 312 U.S. 81, at 85; 48 USPQ 264, at 266 (1941); *Universal Oil Products v. Root Refining Co.*, 328 U.S. 823 (1946); *United States v. Equitable Life Assur. Soc’y of United States*, 384 U.S. 323 at 331 (1966).

Here the defendant has not only unjustly enriched himself by his paper cheating, but he has defrauded his customers. His customers are a clearly ascertainable group virtually all of whom are members of the legal profession. The decision of this case on the misrepresentations by defendants concerning paper quality is clearly a precedent on which defendant’s customers can rely to obtain restitution from defendants. Many of these customer’s purchases are relatively small, and would not justify litigation without the benefit of this adjudication. Furthermore, one of defendant’s customers, Maricopa County, Arizona which purchased paper for the state and county Judges and was misled by defendant’s misrepresentations, may be under a legal duty to bring an action for restitution against defendant, and would clearly benefit by the efforts of plaintiff herein. Competitors of defendant such as Stuart Cooper Company have likewise benefitted from the adjudication.

Finally, § 3294 of the California Civil Code provides for punitive damages over and above actual damages, in cases involving “oppression, fraud or malice express or implied.” (See Appendix II). Since the award of punitive damages under § 3294 is clearly discretionary with the trial judge, it is not improper for the judge to measure said damages by a portion of plaintiff’s attorney’s fees. *Singer v. Redlich*, 109 F.Supp. 623; 96 USPQ 85 (DC SD Cal. 1952)

Thus, where there is clear justification for an award of punitive damages under § 3294, as there is in this case of fraud and malicious unfair competition, an award of partial attorney’s fees should not be reversed simply because § 3294 was not cited by the Court in making the award.

XIII. ASSIGNMENTS OF ERROR ON PLAINTIFF’S CROSS APPEAL.

The District Court erred:

- (1) In failing to grant plaintiff an accounting to take away the profits defendant made from the deliberate unfair trade practices.
- (2) In not enjoining defendants from all use of the name “Friend” in the retail paper trade and in any manner which would indicate source of origin to retail consumers of paper and stationery.

XIV. DEFENDANTS WILL RETAIN FINANCIAL BENEFITS FROM THE DELIBERATE INFRINGEMENT AND UNFAIR COMPETITION WHICH COULD REACH SEVERAL HUNDRED THOUSAND DOLLARS IF DEFENDANTS' PROFITS ARE NOT AWARDED IN ADDITION TO THE AWARD OF COMPENSATORY DAMAGES FOR PLAINTIFF'S LOST SALES AND INJURY TO REPUTATION.

Plaintiff has cross-appealed for an accounting of defendant's profits because the District Court limited the monetary award in this case to compensatory damages and attorney's fees, which failed to approach defendants' unjust enrichment obtained by means of its fraudulent and willful trademark infringement and unfair competition. The action of the District Court is directly contrary to the holding of this court in *Maier Brewing Co. v. Fleischmann*, 157 USPQ 76, 390 F. 2d 117. However, since this last *Maier* decision adopted new standards for awarding profits in cases of deliberate infringement, and Judge Gray's decision preceded this *Maier* decision and was made without its benefit, appellee has some reservation in saying Judge Gray was in "error". Nevertheless, the latest *Maier* decision is clearly applicable here and an accounting of defendant's profits is proper and should be awarded as requested by plaintiff in the Complaint. (CT 13 L 32) and at trial (CT 477, L 16-19)

In an affidavit of defendant, Wilber H. Friend, filed in support of a Motion to Dismiss in this case (CT 285 L. 13-15), the defendant said that the profits of Friend and Company (presumably after taxes) on the stationery product in question in one year were "substantially less than 10% of sales". This is not a precise figure, but one could conclude that defendant made profits somewhere in the range of 5% to 10% of gross sales, which is quite normal for

businesses of this type. Appendix 1 attached to appellant's brief shows a chart of defendant's sales. This chart shows, assuming 1967 sales equal to 1966, that defendant made sales of approximately 1.2 million dollars *during the pendency of this case* that is, 1964 through 1967 inclusive. Assuming that defendant's profits were 8% on sales during this time, the profits from these sales exceed \$100,000.00, *not* counting the savings on paper costs resulting from defendant's substituting inferior grades of paper.

Total sales going back from 1956, when defendant first began his substitution of inferior grades of paper, exceed 2.8 million, and profits, aside from savings on paper costs involving substitution of inferior goods, are well over 200,000.00. As previously pointed out, the defendant's savings on paper costs on only one of the four types of paper involved, (Friend Title Linen Watermark) were in excess of \$60,000 and the remaining savings on the other types could be computed from the present record, at least as to minimum amounts.

Failure to take away from defendant these financial benefits enable defendant to retain enormous profits from a deliberate and calculated plan of trademark infringement, which is contrary to the Lanham Act, *Maier v. Fleishmann*, 390 F. 2d 117, 157 U.S.P.Q. 76, (9 Cir. 1968); *Monsanto v. Perfect Fit*, 349 F. 2d 389, 146 U.S.P.Q. 512, (2 Cir., 1965) and also contrary to California law of unfair competition; *McCord v. Plotnick*, 108 Cal. App. 2d 92, 239 P. 2d 32, 92 U.S.P.Q. 151.

This court in the latest *Maier* case emphasized that the purpose of the Lanham Act was "making infringement and piracy unprofitable." (p. 121) The "restrictive approach" of some decisions, which "viewed an accounting of profits

as merely a method of compensating the trademark registrant for his lost or diverted sales", was rejected. (p. 121) The court said that to protect the public "from similar future acts of piracy by the same party * * * the court must, as was recognized in the legislative history of the Act quoted above, make acts of trademark infringement or at the very least acts of deliberate trademark piracy unprofitable." (pp. 122-123)

In this case, defendants "knowingly, willfully and deliberately infringed". (p. 124) As this court pointed out in the next to the last paragraph of this *Maier* decision "The dollar amount of the recovery in an accounting for profits under the unjust enrichment rationale has no relation to the damages, if any, sustained by the plaintiff in the action." (p. 124)

Here allowing Wilber Friend and his company to retain large profits from his deliberate infringement and unfair trade practices is directly contrary to the principles stated in this court's latest *Maier* decision.

XV. DEFENDANT SHOULD BE ENJOINED FROM ALL USE OF THE NAME "FRIEND" BECAUSE OF HIS FRAUDULENT USE OF THE NAME TO MISLEAD PURCHASERS AND AS A PART OF A PLAN TO TRADE ON PLAINTIFF'S REPUTATION.

The sordid facts of this case make it plain that defendant should not be permitted to use the name "Friend" in the retail paper business or in any way which would come to the attention of retail customers, such as referring to his retail business as "a division of Friend Paper Company" [X 85] It should be noted that all ream size boxes sold at retail bear the name Friend Paper Company [XZ] or "Friend Paper Company, Western Division [XA]. It is clear from the record that customers simply do not dis-

guish one "Friend" company selling stationery from another. As long as this is the case the confusion and deception of customers can continue.

A person has no right to use his personal name as a part of a trade name or trademark where such use is in bad faith or is likely to confuse purchasers. *Max Factor Inc. v. Factor*, 226 F. Supp. 120, 140 USPQ 166 (DC SD Cal. 1963); *Lane Bryant v. Maternity Lane*, 173 F. 2d 559 (9th Cir.); *Visser v. Macres*, 29 Cal. Reporter 367, 137 USPQ 492 (1963); *Everest & Jennings, Inc. v. E & J Mfg. Co.*, CA 9 263 F. 2d 254.

REFERENCE TABLE

The following is a reference table which lists the assignments of error of defendant-appellant and then lists the portions of this brief wherein the facts or law relating to said assignments are discussed.

<u>Assignment of Error</u>	<u>Facts or Law Discussed</u>
	<u>Pages</u>
1.	7-9, 24.
2.	7-9, 24.
3.	23-29.
4.	9, 23-27.
5.	9, 27-28.
6.	28-29.
7.	28-29.
8.	9, 10.
9.	11, 33-39, 50-54.
10.	9, 23-29.
11.	11-23, 39-45.
12.	29-33, 45-47.
13.	11-23, 23-29, 48-50.
14.	11-23, 23-29, 54-61.

15.	29
16.	10, 23-29, 39-48.
17.	27-28.
18.	11-23, 39-47.
19.	6, 11-23, 39-47.
20.	29-33, 45-47.
21.	11-12, 33-39, 48-49.

SUMMARY OF RELIEF SOUGHT

It is respectfully submitted that this Court should find

1. That the findings of fact of the District Court should be sustained.

2. That the monetary awards for damages and attorney's fees given by the District Court should be sustained.

3. That the injunctive relief given by the District Court should be sustained, except that the District Court should be instructed to enjoin all use by defendants-appellants of the name "Friend", or any name which is likely to cause confusion therewith, in connection with the sale of any paper at retail, and in any manner which may come to the attention of retail consumers of paper.

4. That the District Court should be instructed to award to plaintiff the profits which defendants made while using the trademarks of and a trade name deliberately adopted to trade on plaintiff's goodwill, and the profits which defendant made by fraudulently substituting low quality paper for the paper which they advertised, while trading on plaintiff's goodwill.

ated: at Chicago, Illinois

ugust 19, 1968

Respectfully submitted,

Alberts, Brezina & Lund

John C. Brezina

Joe C. Young

By

Attorneys for Plaintiff-Appellee

C E R T I F I C A T E

I certify that, in connection with the preparation of
is brief, I have examined Rules 18, 19 and 39 of the
nited States Court of Appeals for the Ninth Circuit,
nd that, in my opinion, the foregoing brief is in full com-
iance with those rules.

.....

John C. Brezina

APPENDIX I

FRIEND'S

CATALOG OF QUALITY SUPPLIES FOR THE LAW OFFICE

proud to present Catalog No. 47. We have endeavored to make it a clear and complete
your Stationery requirements; and hope, for your convenience and constant use, that we
succeeded in this effort.

General Information

Prices in this Catalog are NET WHOLESALE and are not subject to further discounts. Due to the fact that we
operate on a very narrow profit margin, and our raw materials and supplies are contracted for on an annual basis, it
is necessary that all prices be subject to change without notice. Sales taxes to be added when applicable.

NET CASH within 30 days after date of our Invoice. We prefer to ship on open account to offices of recognized
credit standing, satisfactory directory rating and to those furnishing suitable references. We reserve the right to
charge 7 per cent interest on past due accounts. We do not ship C. O. D. to our customers; to do so, we feel, is
disrespectful and discourteous.

Please be sure to send detailed information as to your requirements. Send samples whenever possible with nota-
tions on each sheet as to quantity, grade, changes in copy, etc. It is especially important to give good copy and
instructions on orders for engraved and printed stationery.

We are always glad to furnish additional samples. If you do not see a style or arrangement that fits your purposes
we shall appreciate the opportunity to submit specimens. Please do not remove samples from catalog, in ordering
it is necessary only to refer to sample by name or number.

F.O.B. Pasadena, California. We ship prepaid via the most economical method, and add charges to Invoice. Orders
are filled promptly, usually in 7 to 9 days; except for Engraved Stationery where new Dies are necessary. It is
suggested that orders be combined so as to take advantage of the low truck rates to practically every point in the
eleven western states. Please do not return goods without first receiving our written permission.

END and Company • WESTERN DIVISION
GREEN STREET Telephone SYcamore 3-1767 PASADENA 1, CALIFORNIA

CATALOG IS ISSUED TO YOU UNDER THIS SERIAL NUMBER, WITH THE UNDERSTANDING THAT ALL PRICES AND
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WITH THE LEGAL PROFESSION ADDITIONAL COPIES OF THIS CATALOG ARE AVAILABLE AT \$6.00. POSTPAID

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PASADENA, CALIFORNIA



* GENERAL
• PAPER
★ CONVE

ABOUT THE COMPANY

The Friend organization has served the legal profession nationwide quality products for 50 years. We were the first concern in the United States exclusively to Attorneys.

Our methods of operation and prices are strictly wholesale; we sell to Attorneys and retail Stationery stores for resale. We are not connected in any way with price-recommending organizations and when we issue a price it is the most consistent with the quality offered.

Our papers are manufactured to very rigid specifications developed from many years' experience, with special attention to finish, durability and permanent factors that are so important in papers used to prepare legal documents. We do not sell "stock" papers which are generally unsuited to legal typewriter work.

We either manufacture or convert all of our products in our own plants. We have one of the best equipped Steel Die Engraving departments in the country devoted entirely to producing professional stationery.

Our paper mills and manufacturing facilities are so strategically located as to bring about exceptionally low cost distribution to every section of the United States and Canada.

In presenting this catalog of our products we believe we have the best line on the market—selling by direct mail and thru representatives since 1908. Our long feel, given us the competence to produce products that will meet your most exact requirements.

Friend Quality

GENUINE STEEL DIE

ENGRAVED STATIONERY

e specialize —

Our specialty is Genuine Steel Die Engraved Stationery for the professional profession. A record of 50 years in designing and manufacturing professional requirements has earned us an unequalled reputation in furnishing outstanding qualities of papers and workmanship.

pays to use good Stationery —

Using good stationery can do more to characterize your office than perhaps any other factor. Each year your correspondence reaches hundreds of clients and prospects, and the impressions created should be fully representative of your practice and services.

e have a real value —

Every letter you send is your ambassador, revealing in a strong way the character of your services. FRIEND'S engraved stationery has elegance and dignity. The quality of our papers and workmanship will probably impress the recipient in a way that ordinary stationery does — and anything that so adds to your prestige can well be offered as a real value.

STEEL DIES: We do not make a charge for the Die when your initial order totals 2000 more pieces, and if copy, arrangement and design are such that one combination Die can be used for all items. Telephone numbers or lines may be deleted without injury to the Die when engraving envelopes, etc. All Dies remain in our files for your future orders. Dies are made on one-half inch steel. We do not use plates, type-photo reproduction or other short cut methods. Every Die is expertly engraved and handtooled.

SERVICE: Sufficient time should be allowed commensurate with good workmanship, especially in the case of orders where a new Die is necessary. Orders are generally completed in 7 to 9 days. Shipments are prompt when your Die is on file.

PROOFS: There is no such thing as a proof of genuine engraved stationery; either Die is made or it is not made. We will, however, be glad to furnish additional samples and can give rough sketches in some instances.

GENUINE STEEL DIE
Engraved
Barrister Bond
100% NEW COTTON FIBRE

Our very best quality; the absolute "tops" in business correspondence. The beautiful white, distinctive finish and bank-note crispness make it especially suited for executive and professional Stationery. Positively the finest paper available - the ultimate in fine engraving.

Prices listed below are BASE RATES for copy that does not exceed 4 inches in width. For medium size Die-copy, 4 to 6 inches wide, add \$1.00 per M; large Die-copy, 6 to 8 inches, add \$2.00 per M.

PRICE LIST

20 LB. WEIGHT

	500	1000	3000	5000	10,000
Letterheads 8½ x 11 or Envelopes No. 6½	\$ 9.35	\$ 14.50	\$ 13.90 M	\$ 13.40 M	\$ 12.90 M
Envelopes No. 10 (large size)	10.55	16.90	16.30 M	15.80 M	15.30 M
PLAIN PAPER (to match Letterheads) for Second Pages \$5.75 per ream					

STEEL DIES will not be charged for if your first order totals 2000 or more impressions; and if your copy is average size and arrangement.

FRIEND & COMPANY SINCE 1808 *Fine Stationery*
55 WEST GREEN STREET • PASADENA 1, CALIFORNIA

GENUINE STEEL DIE
Engraved

Title Linen Bond

50% NEW COTTON FIBRE

The popular quality, made in the same careful manner as our nationally famous Title Linen typewriter papers. This fine paper presents an excellent Stationery value and thus enjoys wide usage and popular acceptance.

Prices listed below are BASE RATES for copy that does not exceed 4 inches in width. For medium size Die-copy, 4 to 6 inches wide, add \$1.00 per M; large Die-copy, 6 to 8 inches, add \$2.00 per M.

PRICE LIST

20 LB. WEIGHT

	500	1000	3000	5000	10,000
Letterheads 8½ x 11 or Envelopes No. 6½	\$ 6.95	\$ 9.75	\$9.15 M	\$8.65 M	\$ 8.15 M
Envelopes No. 10 (large size)	7.95	12.25	11.50 M	10.90 M	10.45 M
PLAIN PAPER (to match Letterheads) for Second Pages \$3.25 per ream					


24 lb., EXTRA HEAVY WEIGHT, add \$1.00 per M to the above prices.

STEEL DIES will not be charged for if your first order totals 2000 or more impressions; and if your copy is average size and arrangement.

FRIEND & COMPANY SINCE 1908 *Fine Stationery*
55 WEST GREEN STREET • PASADENA 1, CALIFORNIA

Friend Quality PRINTED STATIONERY

Highest grade letterpress printed Letterheads and matching Envelopes in our three popular paper qualities. Attractive styles and arrangements produced with hand-set genuine foundry types in perfect professional taste - combined value and economy.


Title Linen Bond
50% NEW COTTON FIBRE

The utility paper, possessing all the qualities, cockle finish, bright white color, crispness and good erasing. This grade represents our best stationary value, costing less than you'd expect to pay for the inferior wood sulphite bond papers.

	500	1000	3000	5000	10,000
Letterheads 8½ x 11 or Envelopes No. 6½	\$6.75	\$13.70	\$41.00 M	\$67.00 M	\$137.00 M
Envelopes No. 10 (large size)	7.75	10.60	9.90 M	9.30 M	8.85 M
PLAIN PAPER (to match Letterheads) for Second Page sheets \$3.25 per ream 8½ x 7½ deduct .75 M. 8½ x 5½ deduct .90 M Extra heavy 24 pound weight, add 1.00 per M					

Friends
ERASABLE FINISH
Bond
COTTON CONTENT

A specially treated paper that has remarkable erasing qualities. Correcting typing errors is simply a matter of using a pencil eraser; words brush off quickly and easily, leaving no smudge or messy marks. Real economy in time and energy.

	500	1000	3000	5000	10,000
Letterheads 8½ x 11	\$7.75	\$10.70	\$10.10 M	\$9.60 M	\$9.10 M
We recommend TITLE LINEN BOND ENVELOPES for use with the ERASABLE FINISH BOND LETTERHEADS. See rates above.					
PLAIN PAPER (to match Letterheads) for Second Page sheets \$4.25 per ream 8½ x 7½ deduct .90 M. 8½ x 5½ deduct 1.20 M					


Barrister Bond
100% NEW COTTON FIBRE

Crisp feel and unusual beauty with banknote snap that lends authority to your written messages are distinguishing features of this 100% new cotton fibre paper. It is positively the ultimate in fine writing papers. Nothing better in the market.

	500	1000	3000	5000	10,000
Letterheads 8½ x 11 or Envelopes No. 6½	\$9.15	\$13.40	\$12.80 M	\$12.30 M	\$11.80 M
Envelopes No. 10 (large size)	10.60	15.80	15.20 M	14.70 M	14.30 M
PLAIN PAPER (to match Letterheads) for Second Page sheets \$5.75 per ream 8½ x 7½ deduct 1.00 M. 8½ x 5½ deduct 1.30 M Extra heavy 28 pound weight, add 2.00 per M					

Monarch sizes - Letterheads 7¼ x 10½ with matching #8 Envelopes - are available in above qualities at the rates applying on 8½ x 11 and #10 sizes. See engraving section for samples of Barrister Bond and Erasable Finish Bond papers.

FRIEND'S

CATALOG OF QUALITY SUPPLIES FOR THE LAW OFFICE

We are proud to present Catalog No. 56. We have endeavored to make it a clear and complete for your Stationery requirements; and hope, for your convenience and constant use, that we succeeded in this effort.

General Information

ES Prices in this Catalog are NET WHOLESALE and are not subject to further discounts. Due to the fact that we operate on a very narrow profit margin, and our raw materials and supplies are contracted for on an annual basis, it is necessary that all prices be subject to change without notice. Sales taxes to be added when applicable.

MS NET CASH within 30 days after date of our Invoice. We prefer to ship on open account to offices of recognized credit standing, satisfactory directory rating and to those furnishing suitable references. We reserve the right to charge 7 per cent interest on past due accounts. We do not ship C. O. D. to our customers; to do so, we feel, is disrespectful and discourteous.

ERS Please be sure to send detailed information as to your requirements. Send samples whenever possible with notations on each sheet as to quantity, grade, changes in copy, etc. It is especially important to give good copy and instructions on orders for engraved and printed stationery.

PLES We are always glad to furnish additional samples. If you do not see a style or arrangement that fits your purposes we shall appreciate the opportunity to submit specimens. Please do not remove samples from catalog, in ordering it is necessary only to refer to sample by name or number.

MENTS F.O.B. Pasadena, California. We ship prepaid via the most economical method, and add charges to Invoice. Orders are filled promptly, usually in 7 to 9 days; except for Engraved Stationery where new Dies are necessary. It is suggested that orders be combined so as to take advantage of the low truck rates to practically every point in the eleven western states. Please do not return goods without first receiving our written permission.

FRIEND and Company

Division of FRIEND PAPER COMPANY

1001 GREEN STREET Telephone (Area 213) 793-1767 PASADENA, CALIFORNIA 91101

7201

EDITION 1964 CATALOG IS ISSUED TO YOU UNDER THIS SERIAL NUMBER WITH THE UNDERSTANDING THAT ALL PRICES AND INFORMATION CONTAINED HEREIN ARE CONFIDENTIAL TO ATTORNEYS OR THOSE RELATED TO AND/OR ALLIED WITH THE LEGAL PROFESSION ADDITIONAL COPIES OF THIS CATALOG ARE AVAILABLE AT \$5.00. POSTPAID

EXHIBIT No. 62
FOR IDENTIFICATION
JUNE PENNON, N.E.
1



ABOUT THIS COMPANY

The Friend family has been in the paper business since the late 19th century, originally manufacturing writing papers and envelopes in Ohio's Miami valley. In 1908 the Friend Brothers established in Illinois the first concern in the country to sell their stationery exclusively to law offices. Friend and Company, a division of the Friend Paper Company of Zion, Illinois, is operated by W. H. Friend, and is a pioneer in providing specialized paper products for the legal profession and related fields.

Our methods of operation and prices are strictly wholesale; we sell only to Attorneys and to Stationery stores for resale. We are not connected with any firm of similar name, nor with price-recommending organizations and when we issue a price is the lowest consistent with the quality offered.

Our papers are manufactured to very rigid specifications developed from many years' experience, with special attention to finish, durability and permanence — factors that are so important in papers used to prepare legal documents. We do not sell "stock" papers which are generally unsuited to legal typewriter work.

We either manufacture or convert all of our products in our own plants. We have one of the best equipped Steel Die Engraving departments in the country devoted entirely to producing professional stationery. Our paper mills and manufacturing facilities are so strategically located as to bring about exceptionally low cost distribution thruout the United States and Canada.

In presenting this catalog of our products we believe we have the best line on the market. Selling direct mail and thru representatives for so many years has, we feel, given us the competence to produce products that will meet your most exacting requirements.

Friend Quality

GENUINE STEEL DIE

ENGRAVED STATIONERY

specialize —

Our specialty is Genuine Steel Die Engraved Stationery for the profession. A record of 50 years in designing and manufacturing professional requirements has earned us an unequaled reputation in furnishing outstanding qualities of papers and workmanship.

ways to use good Stationery —

Using good stationery can do more to characterize your office perhaps any other factor. Each year your correspondence reaches hundreds of clients and prospects, and the impressions created should be fully representative of your practice and services.

have a real value —

Every letter you send is your ambassador, revealing in a strong way the character of your services. FRIEND'S engraved stationery has grace and dignity. The quality of our papers and workmanship will definitely impress the recipient in a way that ordinary stationery does not — and anything that so adds to your prestige can well be offered as having real value.

DIES: We do not make a charge for the die when your initial order totals 2000 pieces, and if copy, arrangement and design are such that one combination Die can be used for all items. Telephone numbers or names may be deleted without injury to the die when engraving envelopes, etc. All dies remain in our files for your future orders. Dies are made on one-half inch steel. We do not use plates, type-photo reproduction or other short cut methods. Every Die is carefully engraved and handtooled.

SERVICE: Sufficient time should be allowed commensurate with good workmanship, especially in the case of orders where a new Die is necessary. Orders are generally completed in 7 to 9 days. Shipments are prompt when your Die is on file.

PROOFS: There is no such thing as a proof of genuine engraved stationery; either Die is made or it is not made. We will, however, be glad to furnish additional samples and can give rough sketches in some instances.

Friend Quality

GENUINE STEEL DIE

ENGRAVED STATIONERY

Engraving prices listed below are **BASE RATES** for die-copy not exceeding 4 inches in width. For large die-copy, add \$2.00 per M (\$2.00 minimum). Steel dies will not be charged for if your initial order is for 2000 or more impressions, and if copy is average in size and arrangement.



Our best quality all cotton content bond of unusual beauty, with fine banknote snap to lend authority to your typewritten correspondence.

SOLE WEIGHT	200	1000	3000	5000	10,000
Letterheads 8½x11	\$ 12.60	\$ 18.40	\$ 17.80 M	\$ 17.10 M	\$ 16.00
Envelopes No. 10	14.60	20.60	20.00 M	19.30 M	18.80

PLAIN PAPER (to match letterheads) for Second Pages \$ 5.80 per room
EXTRA HEAVY 24 lb. weight, add \$ 2.00 per M



A special treated new cotton paper with remarkable erasing qualities. Correcting errors is simply a matter of using a pencil eraser - no fuss!

SOLE WEIGHT	200	1000	3000	5000	10,000
Letterheads 8½x11	\$ 11.30	\$ 15.80	\$ 15.20 M	\$ 14.50 M	\$ 14.00
Envelopes No. 10	11.50	18.50	17.90 M	17.20 M	16.70

PLAIN PAPER (to match letterheads) for Second Pages \$ 4.90 per room
Notes: Envelopes to match this grade are supplied in Title Linen Bond, regular finish.



The utility paper with all qualities: bright white color, cockle finish and excellent erasing, costing less than you'd expect to pay for sulphites.

SOLE WEIGHT	200	1000	3000	5000	10,000
Letterheads 8½x11	\$ 10.60	\$ 14.40	\$ 13.80 M	\$ 13.10 M	\$ 12.60
Envelopes No. 10	11.50	18.50	17.90 M	17.20 M	16.70

PLAIN PAPER (to match letterheads) for Second Pages \$ 3.80 per room
EXTRA HEAVY 24 lb. weight, add \$ 1.00 per M

DIFFERENTIALS APPLYING TO ABOVE QUALITIES:


ENVELOPES No. 8½ (small size), priced as for Letterheads 8½x11
MONARCH SIZES: Letterheads 7½x10½, and the matching No. 8 patented Bag Envelopes, priced as for 8½x11 Letterheads and No. 10 Envelopes, respectively.

DEDUCTIONS for small letterhead sizes:

BARRISTER BOND 8½x7½ less \$ 1.00 8½x5½ less \$ 1.30
ERASABLE FINISH BOND 8½x7½ less \$.90 8½x5½ less \$ 1.20
TITLE LINEN BOND 8½x7½ less \$.75 8½x5½ less \$.90


Friend Quality PRINTED STATIONERY

Highest grade letterpress printed Letterheads and matching Envelopes in our three popular paper qualities. Attractive styles and arrangements produced with hand-set genuine foundry types in perfect professional taste - combined value and economy.

 **Barrister Bond**
% COTTON FIBRE

Our best quality all cotton content bond of unusual beauty, with fine banknote snap to lend authority to your typewritten correspondence.

20 Lb. WEIGHT	500	1000	5000	5000	10 000
Letterheads 8½ x 11	\$ 9.80	\$ 16.50	\$ 14.80 M	\$ 14.20 M	\$ 13.40 M
Envelopes No. 10	11.80	17.20	15.60 M	14.90 M	14.60 M
PLAIN PAPER (to match letterheads) for Second Pages \$ 5.80 per ream EXTRA HEAVY 24 lb. weight, add \$ 2.00 per M.					

 **Eraser Bond**
% COTTON FIBRE

A special treated new cotton paper with remarkable erasing qualities. Correcting errors is simply a matter of using a pencil eraser - no fuss!

20 Lb. WEIGHT	500	1000	3000	5000	10 000
Letterheads 8½ x 11	\$ 9.50	\$ 13.90	\$ 12.20 M	\$ 11.60 M	\$ 10.80 M
Envelopes No. 10	9.40	13.80	12.20 M	11.50 M	11.20 M
PLAIN PAPER (to match letterheads) for Second Pages \$ 4.50 per ream Note: Envelopes to match this grade are supplied in Title Linen Bond, regular finish.					

 **Linen Bond**
% COTTON FIBRE CONTENT

The utility paper with all qualities: brile-white color, cockle finish and excellent erasing, costing less than you'd expect to pay for sulphites.

20 Lb. WEIGHT	500	1000	3000	5000	10 000
Letterheads 8½ x 11	\$ 8.80	\$ 12.60	\$ 10.90 M	\$ 10.30 M	\$ 9.50 M
Envelopes No. 10	9.40	13.80	12.20 M	11.50 M	11.20 M
PLAIN PAPER (to match letterheads) for Second Pages \$ 3.80 per ream EXTRA HEAVY 24 lb. weight, add \$ 1.00 per M.					

DIFFERENTIALS APPLYING TO ABOVE QUALITIES:
ENVELOPES No. 8½ (small size), priced as for Letterheads 8½ x 11
ONARCH SIZES: Letterheads 7½ x 10½, and the matching No. 9 printed flap envelopes, priced as for 8½ x 11 Letterheads and No. 10 Envelopes, respectively.

DERUCTIONS for small letterhead sizes:
BARRISTER BOND 8½ x 7½ less \$ 1.00 8½ x 5½ less \$ 1.20
ERASABLE FINISH BOND 8½ x 7½ less \$.90 8½ x 5½ less \$ 1.20
TITLE LINEN BOND 8½ x 7½ less \$.75 8½ x 5½ less \$.80

FRIEND'S

QUALITY SUPPLIES FOR THE LAW OFFICE

PRICE LIST

April 1, 1961

PRICES listed are NET WHOLESALE to law offices and stationery stores, and are not subject to further discounts. Prices subject to change without notice. Sales taxes extra.

TERMS: NET CASH within 30 days from date of our invoice. We prefer to ship open account to those of recognized credit standing or on reference. We do not ship C.O.D.

ORDERS - Please send detailed information, sending samples whenever possible, with notations on each sheet as to quantity, grade, changes in copy. Good copy is important.

SHIPMENTS F.O.B. Pasadena, California. We ship via the most economical method and add charges to invoice. Do not return goods without first receiving our written permission.




FRIEND *and Company* • WESTERN DIVISION

55 WEST GREEN STREET • Telephone SYcamore 3-1767 • PASADENA 1, CALIFORNIA

GENUINE STEEL DIE




Engraved Stationery

prices listed below are **BASE RATES** for die copy not exceeding 4 inches in width. For large die copy, add \$2.00 per M
 will not be charged for if your initial order is for 2000 or more impressions; and if copy is average in size and arrangement.

 Barrister Bond	20 LB. WEIGHT	600	1000	3000	5000	10,000
	Letterheads 8 1/2 x 11	\$ 11.60	\$ 17.40	\$ 16.80 M	\$ 16.10 M	\$ 15.60 M
	Envelopes No. 10	13.60	18.60	18.00 M	17.30 M	16.80 M
PLAIN PAPER (to match letterheads) for Second Pages \$ 5.80 per room EXTRA HEAVY 24 lb. weight, add \$ 2.00 per M						
 Erased Finish Bond	20 LB. WEIGHT	600	1000	3000	5000	10,000
	Letterheads 8 1/2 x 11	\$ 10.30	\$ 14.80	\$ 14.20 M	\$ 13.50 M	\$ 13.00 M
	Envelopes No. 10	10.50	16.50	15.90 M	15.20 M	14.70 M
PLAIN PAPER (to match letterheads) for Second Pages \$ 4.50 per room Note: Envelopes to match this grade are supplied in Title Linen Bond, regular finish.						
 Title Linen Bond COTTON FIBRE CONTENT	20 LB. WEIGHT	600	1000	3000	5000	10,000
	Letterheads 8 1/2 x 11	\$ 9.60	\$ 13.40	\$ 12.80 M	\$ 12.10 M	\$ 11.60 M
	Envelopes No. 10	10.50	16.50	15.90 M	15.20 M	14.70 M
PLAIN PAPER (to match letterheads) for Second Pages \$ 3.80 per room EXTRA HEAVY 24 lb. weight, add \$ 1.00 per M						

Printed Stationery

below cover the regular professional stationery styles and arrangements produced with genuine hand set foundry type.

 Barrister Bond	20 LB. WEIGHT	600	1000	3000	5000	10,000
	Letterheads 8½ x 11	\$ 9.80	\$ 15.50	\$ 13.80 M	\$ 13.20 M	\$ 12.40 M
	Envelopes No. 10	11.80	16.20	14.60 M	13.90 M	13.60 M
PLAIN PAPER (to match letterheads) for Second Pages \$ 3.80 per room EXTRA HEAVY 24 lb. weight, add \$ 2.00 per M						
 Erased Finish Bond	20 LB. WEIGHT	600	1000	3000	5000	10,000
	Letterheads 8½ x 11	\$ 8.50	\$ 12.90	\$ 11.20 M	\$ 10.60 M	\$ 9.80 M
	Envelopes No. 10	8.70	12.80	11.20 M	10.50 M	10.20 M
PLAIN PAPER (to match letterheads) for Second Pages \$ 4.50 per room Note: Envelopes to match this grade are supplied in Title Linen Bond, regular finish.						
 Title Linen Bond COTTON FIBRE CONTENT	20 LB. WEIGHT	600	1000	3000	5000	10,000
	Letterheads 8½ x 11	\$ 7.80	\$ 11.50	\$ 9.80 M	\$ 9.20 M	\$ 8.40 M
	Envelopes No. 10	8.70	12.80	11.20 M	10.50 M	10.20 M
PLAIN PAPER (to match letterheads) for Second Pages \$ 3.80 per room EXTRA HEAVY 24 lb. weight, add \$ 1.00 per M						

INITIALS APPLYING TO ABOVE QUALITIES:

ES No. 8 1/2 (small size), priced as for Letterheads 8 1/2 x 11
 14 SIZES: Letterheads 7 1/2 x 10 1/2, and the matching No. 8 pointed flap
 priced as for 8 1/2 x 11 Letterheads and No. 10 Envelopes, respectively

DEDUCTIONS for small letterhead sizes:

BARRISTER BOND 8 1/2 x 7 1/2 less \$ 1.00 8 1/2 x 5 1/2 less \$ 1.30
 ERASED FINISH BOND 8 1/2 x 7 1/2 less \$.90 8 1/2 x 5 1/2 less \$ 1.20
 TITLE LINEN BOND 8 1/2 x 7 1/2 less \$.75 8 1/2 x 5 1/2 less \$.90

FRIEND'S

QUALITY SUPPLIES FOR THE LAW OFFICE

PRICE LIST

January 1, 1964

PRICES listed are NET WHOLESALE to law offices and stationery stores, and are not subject to further discounts. Prices subject to change without notice. Sales taxes extra.

TERMS: NET CASH within 30 days from date of our invoice. We prefer to ship open account to those of recognized credit standing or on reference. We do not ship C.O.D.

ORDERS - Please send detailed information, sending samples whenever possible, with notations on each sheet as to quantity, grade, changes in copy. Good copy is important.




SHIPMENTS F.O.B. Pasadena, California. We ship via the most economical method and add charges to invoice. Do not return goods without first receiving our written permission.

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55 WEST GREEN STREET • Telephone SYcamore 3-1767 • PASADENA 1, CALIFORNIA

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

GENUINE STEEL DIE Engraved Stationery

Prices below are **BASE RATES** for die copy not over 4 inches wide. For larger dies, add \$2.00 per M (\$2.00 minimum)
 Charges will not be charged for if your initial order is for 2000 or more impressions, and if copy is average in size and arrangement.

 Barrister Bond	20LB. WEIGHT		500	1000	3000	5000	10,000
	Letterheads 8½x11	\$ 12.60	\$ 18.40	\$ 17.80 ^M	\$ 17.10 ^M	\$ 16.60 ^M	
	Envelopes No. 10	14.60	20.60	20.00 ^M	19.30 ^M	18.80 ^M	
	PLAIN PAPER (to match letterheads) for Second Pages \$ 5.80 per room EXTRA HEAVY 24 lb. weight, add \$ 2.00 per M						
 Friends ERASABLE FINISH Bond	20LB. WEIGHT		500	1000	3000	5000	10,000
	Letterheads 8½x11	\$ 11.30	\$ 15.80	\$ 15.20 ^M	\$ 14.50 ^M	\$ 14.00 ^M	
	Envelopes No. 10	11.50	18.50	17.90 ^M	17.20 ^M	16.70 ^M	
	PLAIN PAPER (to match letterheads) for Second Pages \$ 4.50 per room Note: Envelopes to match this grade are supplied in Title Linen Bond, regular finish.						
 Title Linen Bond 50% COTTON FIBRE CONTENT	20LB. WEIGHT		500	1000	3000	5000	10,000
	Letterheads 8½x11	\$ 10.60	\$ 14.40	\$ 13.80 ^M	\$ 13.10 ^M	\$ 12.60 ^M	
	Envelopes No. 10	11.50	18.50	17.90 ^M	17.20 ^M	16.70 ^M	
	PLAIN PAPER (to match letterheads) for Second Pages \$ 5.80 per room EXTRA HEAVY 24 lb. weight, add \$ 1.00 per M						

LETTERPRESS Printed Stationery

Prices listed below cover the regular professional stationery styles and arrangements produced with genuine hand set foundry type.

 Barrister Bond	20 Lb. WEIGHT		500	1000	3000	5000	10,000
	Letterheads 8½x11	\$	9.80	\$ 16.50	\$ 14.80 M	\$ 14.20 M	\$ 13.40 M
	Envelopes No. 10		11.80	17.20	15.60 M	14.90	14.60 M
	PLAIN PAPER (to match letterheads) for Second Pages \$ 5.80 per room EXTRA HEAVY 24 lb. weight, add \$ 2.00 per M						
 Friends ERASABLE FINISH Bond	20 Lb. WEIGHT		500	1000	3000	5000	10,000
	Letterheads 8½x11	\$	9.50	\$ 13.90	\$ 12.20 M	\$ 11.60 M	\$ 10.80 M
	Envelopes No. 10		9.40	13.80	12.20 M	11.50 M	11.20 M
	PLAIN PAPER (to match letterheads) for Second Pages \$ 5.50 per room Note: Envelopes to match this grade are supplied in Title Linen Bond, regular finish.						
 Title Linen Bond 50% COTTON FIBRE CONTENT	20 Lb. WEIGHT		500	1000	3000	5000	10,000
	Letterheads 8½x11	\$	8.80	\$ 12.60	\$ 10.90 M	\$ 10.30 M	\$ 9.50 M
	Envelopes No. 10		9.40	13.80	12.20 M	11.50 M	11.20 M
	PLAIN PAPER (to match letterheads) for Second Pages \$ 5.80 per room EXTRA HEAVY 24 lb. weight, add \$ 1.00 per M						

DEDUCTIONS APPLYING TO ABOVE QUALITIES:

ENVELOPES No. 8 1/2 (small size), priced as for Letterheads 8 1/2 x 11
 MARCH SIZES: Letterheads 7 1/4 x 10 1/2, and the matching No. 8 pointed Rap
 Envelopes, priced as for 8 1/2 x 11 Letterheads and No. 10 Envelopes, respectively.

DEDUCTIONS for small letterhead sizes:

BARRISTER BOND 8 1/2 x 7 1/4 less \$ 1.00 8 1/2 x 5 1/2 less \$ 1.30
 ERASABLE FINISH BOND 8 1/2 x 7 1/4 less \$.90 8 1/2 x 5 1/2 less \$ 1.30
 TITLE LINEN BOND 8 1/2 x 7 1/4 less \$.75 8 1/2 x 5 1/2 less \$.90

APPENDIX II

RELEVANT STATUTORY MATERIAL

15 U.S.C. §1111

Notwithstanding the provisions of section 1072 of the title, a registrant of a mark registered in the Patent Office, may give notice that his mark is registered by displaying with the mark as used the words "Registered in U. S. Patent Office" or "Reg. U. S. Pat. Off." or the letter R enclosed within a circle, thus ®; and in any suit for infringement under this chapter by such a registrant failing to give such notice of registration, no profits and no damages shall be recovered under the provisions of this chapter unless the defendant had actual notice of the registration.

15 U.S.C. §1114(1)

(1) Any person who shall, without the consent of the registrant—

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services or

or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive.

shall be liable in a civil action by the registrant for the remedies hereinafter provided. Under subsection (b) of this section, the registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive.

U.S.C. §1115(b)

(b) If the right to use the registered mark has become incontestable under section 1065 of this title, the registration shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the affidavit filed under the provisions of said section 1065 subject to any conditions or limitations stated therein except when one of the following defenses to defects is established:

- (1) That the registration or the incontestable right to use the mark was obtained fraudulently; or
- (2) That the mark has been abandoned by the registrant; or
- (3) That the registered mark is being used, by or with the permission of the registrant or a person in privity with the registrant, so as to misrepresent the source of the goods or services in connection with which the mark is used; or
- (4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is

descriptive of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin; or

(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to registration of the mark under this chapter or publication of the registered mark under subsection (c) of section 1062 of this title: *Provided, however,* That this defense or defect shall apply only for the area in which such continuous prior use is proved; or

(6) That the mark whose use is charged as an infringement was registered and used prior to the registration under this chapter or publication under subsection (c) of section 1062 of this title of the registered mark of the registrant, and not abandoned: *Provided, however,* That this defense or defect shall apply only for the area in which the mark was used prior to such registration or such publication of the registrant's mark; or

(7) That the mark has been or is being used to violate the antitrust laws of the United States.

15 U.S.C. §1116

The several courts vested with jurisdiction of such actions arising under this chapter shall have power to grant injunctions, according to the principles of equity and upon such terms as the court may deem reasonable to prevent the violation of any right of the registrant of a mark registered in the Patent Office. Any such injunction may include a provision directing the defendant to file with the court and serve on the plaintiff within thirty days after the service on the defendant of such injunc-

in, or such extended period as the court may direct, report in writing under oath setting forth in detail the manner and form in which the defendant has complied with the injunction. Any such injunction granted upon hearing, after notice to the defendant, by any district court of the United States, may be served on the parties against whom such injunction is granted anywhere in the United States where they may be found, and shall be operative and may be enforced by proceedings to punish for contempt, or otherwise, by the court by which such injunction was granted, or by any other United States district court in whose jurisdiction the defendant may be found.

The said courts shall have jurisdiction to enforce said injunction, as provided in this chapter, as fully as if the injunction had been granted by the district court in which it is sought to be enforced. The clerk of the court or judge granting the injunction shall, when required to do so by the court before which application to enforce said injunction is made, transfer without delay to said court a certified copy of all papers on file in his office upon which said injunction was granted.

It shall be the duty of the clerks of such courts within one month after the filing of any action, suit, or proceeding arising under the provisions of this chapter to give notice thereof in writing to the Commissioner setting forth in order so far as known the names and addresses of the litigants and the designating number or numbers of the registration or registrations upon which the action, suit, or proceeding has been brought, and in the event any other registration be subsequently included in the action, suit, or proceeding by amendment, answer, or other pleading, the clerk shall give like notice thereof to the Commissioner, and within one month after the deci-

sion is rendered, appeal taken or a decree issued the clerk of the court shall give notice thereof to the Commissioner, and it shall be the duty of the Commissioner on receipt of such notice forthwith to endorse the same upon the wrapper of the said registration or registrations and to incorporate the same as a part of the contents of said file wrapper. July 5, 1946, c. 540, Title VI, § 34, 60 Stat. 439.

15 U.S.C. §1117

When a violation of any right of the registrant of a mark registered in the Patent Office shall have been established in any civil action arising under this chapter, the plaintiff shall be entitled, subject to the provisions of sections 1111 and 1114 of this title, and subject to the principles of equity, to recover (1) defendant's profits, (2) any damages sustained by the plaintiff, and (3) the costs of the action. The court shall assess such profits and damages or cause the same to be assessed under its direction. In assessing profits the plaintiff shall be required to prove defendant's sales only; defendant may prove all elements of cost or deduction claimed. In assessing damages the court may enter judgment, according to the circumstances of the case, for any sum above the amount found as actual damages, not exceeding three times such amount. If the court shall find that the amount of the recovery based on profits is either inadequate or excessive the court may in its discretion enter judgment for such sum as the court shall find to be just, according to the circumstances of the case. Such sum in either of the above circumstances shall constitute compensation and not a penalty.

5 U.S.C. §1125(a)

(a) Any person who shall affix, apply, or annex, or use in connection with any goods or services, or any container or containers for goods, a false designation of origin, or any false description or representation, including words or other symbols tending falsely to describe or represent the same, and shall cause such goods or services to enter into commerce, and any person who shall with knowledge of the falsity of such designation of origin or description or representation cause or procure the same to be transported or used in commerce or deliver the same to any carrier to be transported or used, shall be liable to a civil action by any person doing business in the locality falsely indicated as that of origin or in the region in which said locality is situated, or by any person who believes that he is or is likely to be damaged by the use of any such false description or representation.

California Civil Code §3294

"In any action for the breach of an obligation not arising from contract where the defendant has been guilty of oppression, fraud, or malice, express or implied, the plaintiff, in addition to the actual damage, may recover damages for the sake of example and by way of punishing the defendant."

California Civil Code §3369

§ 3369. [Relief not granted to enforce penalty, forfeiture or penal law: Exceptions: Unfair competition enjoined: Definitions: Who may prosecute actions.]
1. Neither specific nor preventive relief can be granted to enforce a penalty or forfeiture in any case, nor to enforce a penal law, except in a case of nuisance or unfair competition.

2. [Unfair competition enjoinable.] Any person performing or proposing to perform an act of unfair competition within this State may be enjoined in any court of competent jurisdiction.

3. [Definitions.] As used in this section, unfair competition shall mean and include unfair or fraudulent business practice and unfair, untrue or misleading advertising and any act denounced by Penal Code sections 654a, 654b or 654c.

4. As used in this section, the term person shall mean and include natural persons, corporations, firms, partnerships, joint stock companies, associations and other organizations of persons.

5. [Who may prosecute actions.] Actions for injunction under this section may be prosecuted by the Attorney General or any district attorney in this State in the name of the people of the State of California upon their own complaint or upon the complaint of any board, officer, person, corporation or association or by any person acting for the interests of itself, its members or the general public.